No. 30,560

Friday June 10 1988

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World News

UK pledges BT reports action to ease African profits to debt burden

A plan of action to ease the debt burden of sub-Saharan Africa would be a key British objective at this month's world economic summit in Toronto, Mr Nigel Lawson, the UK Chancellor of the Exchequer, said. He said it was essential to reduce the burden itself as well as give countries more time to repay.

Japan intends to announce a five-year plan to boost its over-seas aid at the summit. Page 26

Pretoria call-up

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South Africa called up its army reserve and signalled it would resist any threats from Cuban forces in Angola said to be spread along a 450km front, as little as 12km from the Namibian (South West African) border, Angola said its forces were instructed not to cross the border. Page 6

US-EC trade row

EC suggestions that US restrictions on imported sugar, dairy and other farm products might contravene international trade rules raised the diplomatic temperature in US-EC trade rela-tions. Page 26

Soviets accuse Pakistan Moscow accused Pakistan of violating the Afghanistan peace agreement by permitting ship-ments of arms to Afghan rebels and letting US and French instructors cross its border to train guerrillas in missile-use.

London-Iran talks fail Britain and Iran failed to reach agreement in talks intended to ease diplomatic relations but Iran sought a further meeting to discuss compensation for damage to the two countries embassies.

Managua deal close The last day of negotiations between the Nicaraguan Govern-ment and the Contras began, with an agreement close Page 5

Zia announces cabinet Pakistan's President Gen Zia ul-Haq announced an 18-member Cabinet, with himself in the Prime Minister's role. Page 6

Japan trade suplus cut Japan's trade surplus in May dropped sharply to \$5.02hn on a seasonally-adjusted basis, according to figures yesterday. Page 6

Secul students revolt

Thousands of South Korean students broke out of Yonsei university, Seoul, after a day-long siege, attacking police with rocks and petrol bombs, trying to break the

Soviet-israeli meeting Israeli Prime Minister Yitzhak Shamir met Soviet Foreign Minis-ter Eduard Shevardnadze at the UN, despite the 21-year break in relations, to discuss the issue of an international peace conference for the Middle East.

Tatars can return

Restrictions preventing tens of thousands of Crimean Tatars from returning to their homeland in the Crimea, from which they were deported by Joseph Stalin 44 years ago, were lifted. Page 3.

Italians criticised

Nikolai Afanasievsky, a senior Soviet official in Rome said the Italian decision to play host to 79 US F-16 fighter bombers "illogical and contradictory." Page 2

E Berlin attache defects West German security sources said an East German diplomat, Klaus Gruetzmacher, based in Dusseldorf had defected to West Germany with his wife and son.

Business Summary

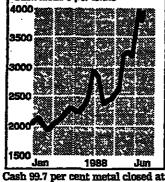
£2.2bn

BRITISH TELECOM reported as increase in pre-tax profits by 11

SRAGRAM, Canadian wine and spirits company, reported a sharp 40 per cent increase in first-quar-ter income. Page 27

ALUMINIUM: Prices closed well up on the LME after touching record highs in earlier trading.

Aluminium Cash metal \$ per tonne



\$3,925 a tonne, compared with the recent peak of \$3,960 recorded last Friday. Page 38

LONDON: Speculative activity in the food sector added zest to a slow market, boosting the FT-SE slow market, boosting the F1-SE 100 index by 13.3 to 1,841.5. Rumours that Nestle and Suchard had struck a deal over bid target Rowntree, UK confec-tioner, fuelled gains, despite deni-als from both Swiss companies.

TOKYO: Buying enthusiasm gathered momentum following Wall Street's strong overnight rally, and the Nikkei average ended above 28,000 for the first time. It rallied 159.37 points to close at 28,072.02. Page 50

WALL STREET: At 2pm the Dow Jones was down 6.58 at 2096.37.

DOLLAR closed in London at DM1.7195 (DM1.7185); Y125.29 (Y125.25); SFr1.4360 (SFr1.4230); and FFr5.8060 (FFr5.8000). Page

STERLING closed in London at \$1.8150 (\$1.8180); DM3.1200 (DM3.1250); Y227.25 (Y227.75); SFr2.6075 (SFr2.5875); and FFr10.5375 (FFr10.5450). Page 39

PERNOD RICARD, French drinks group, won the first round in its legal battle against Coca-Cola, which recently broke off production and distribution agreements with Pernod dating back to 1949.

LVMH, French champagne, cognac, luggage, and perfume group, is negotiating the acquisition of a large stake in the Burgundy-based Leroy wine merchants and growers. Page 29

CARREFOUR, large French hypermarket group, and Castorama, France's leading chain of do-it-yourself stores, are to

become partners, Page 28 DOME PETROLEUM: Calgary-based energy group's sharehold-ers have approved the C\$5.5bn (US\$4.5bn) sale of the beleaguered group to Amoco Canada.

GULF + WESTERN, high-flying New York conglomerate, expects earnings growth of up to 13 per

cent and another record year in 1988. Page 27 INVESTCORP, Bahrain investment bank, has failed to take control of the Italian fashion

Waste dumping arrest

MITSUI & CO, Japan's leading stake in Thorn-Ericsson, the UK trading house, boosted worldwide arrested in Guinea-Conakry for alleged complicity in the secret dumping of 15,000 tonnes of American toxic waste.

MITSUI & CO, Japan's leading stake in Thorn-Ericsson, the UK trading house, boosted worldwide trading house, boosted worldwide manufacturer, to its Swedish reach Y23.15bn (\$184.3m) in the partner in the joint venture. The price has not been decided.

American toxic waste.

Arab leaders put Palestine issue back centre-stage

ARAB LEADERS were last night The resolutions appear establishment of an independent expected to call for the replace- designed to place the Palestine Palestinian state as urged by the

Jordan and Syria and to call for proposals.

the reintegration of Egypt into
the Arab fold as soon as possible.

The first in any explicit reference to the

nomic Co-operation and Devel-opment warned yesterday. The Paris-based organisation

also suggested that higher interest rates might be needed in the

In its latest Outlook report, the OECD questions whether financial markets would be prepared

to finance indefinitely the US

current account deficit at current exchange rates. The events of last year, including large-scale official intervention in the cur-rency markets, the rise in US

interest rates and the steep fall in share prices in October "suggest that orderly financial flows can-not be taken for granted."

The report says that the economies of its member countries are, on aggregate, set to expand at a healthy rate of growth this year

BY ANTHONY HARRIS IN WASHINGTON

US to dampen inflation.

expected to call for the replace designed to place the Palestine ment of Israeli occupying troops in the West Bank and Gaza Strip concerns, to step up pressure on in the West Bank and Gaza Strip concerns, to step up pressure on by an international force, and to the US to take account of the set up a committee of foreign Palestinians' "legitimate national ministers, led by Algeria, to press rights" in its Middle East diplotheir demands with members of macy, and to build on both the

increase in pre-tax profits by 11 express support for the sixper cent to £2.29bn (\$3.9bn) in the year to end-March, reflecting higher call volume. Page 32; Lex, Page 26

In a catal the sixHowever, they make no menparties.
A spe uprising in the tion of the Arab-Israeli peace occupied territories they are also plan advanced this year by Mr uprising lisraeli to vide additional financial backing State, despite demands by the territories. for the Palestinians, to continue Palestine Liberation Organisa-existing aid arrangements for tion for outright rejection of his

OECD says failure to

could trigger recession

FAILURE to correct the large and at a slightly slower rate in the OECD's economics and statistrade imbalances of the US, 1989.

Japan and West Germany could. The expansion will be uneven, lead to another steep fall in the bowever, with the US and Japan and West Germany could bowever, with the US and Japan try policy would probably be dollar, which could in turn triggrowing strongly while growth in ger a recession in the US and European OECD nations will be needed if the US economy continger a recession in the US and European OECD nations will be needed if the US economy continger a recession in the US and European unemploy
Europe, the Organisation for Ecoslugish. European unemploy
The expansion will be uneven, a finither tightening of US monetary policy would probably be needed if the US economy continger a recession in the US and European OECD nations will be uneven.

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The expansion will be uneven, a finither tightening of US monetary policy would probably be needed if the US economy continger a recession in the US and European OECD nations will be uneven.

Europe, the Organisation for Ecoslugish. European unemploy
The expansion will be uneven.

The expan

short-term interest rates have

Mr David Henderson, head of

US company investment to rise

US COMPANIES plan a sharp chemicals, steel and glass, as well per cent rise, is now expected in increase in planned spending for as in aircraft and computers.

In volume terms, this year's in the second half of the year will

by the end of 1989.

sluggish. European unemploy- 2% per cent projected by the ment is forecast to rise slightly OECD for this year.

In many countries within the could also record higher infla-OECD the focus of attention tion, although recent economic

since last December had switched indicators were ambiguous. Nev-

from concern about recession to ertheless, the Organisation has concern about inflation, says the doubled its forecast for the UK

report. This was especially so in current account deficit since it the US where there would be a last reported in December.

In spite of its more optimistic.

need for higher interest rates to contain incipient inflationary pressures, signs of which can be seen in the form of capacity constraints and labour market tight

casts. Since then the Federal The result of another steep fall Reserve, the US central bank, has in the dollar would be rising adopted a less accommodative interest rates in the US, which

monetary policy stance and key would lead to a recession, and

The OECD used data up to May relating to the US bud in the compilation of its forecasts. Since then the Federal The result of another s

narrow trade gap

PLO but vehemently opposed by Israel and the US. Instead, they reaffirm general statements of support for Palestinian self-determination, and for the convening of an international peace conferthe United Nations Security uprising and the recent super-Council. uprising and the recent super-power rapprochement to advance and with the PLO participating on an equal footing with other on an equal footing with other

A specific resolution on the uprising demands withdrawal of Israeli troops from the occupied territories and their replacement by an international force; guaran-tees on the implementation of the

The Organisation said the UK

world economy, especially those relating to the US budget and

Continued on Page 26 Background, Page 2; US-EC trade tensions increase

King Fahd of Saudi Arabia (left) walks with President Hafez Assad of Syria to the conference room yesterday as Arab leaders began their third day of meetings Little prospect of early action on EC takeovers

BY GUY DE JONQUIERES IN LONDON

British member of the European takeover to make proper disclo-Commission responsible for the internal market, said yesterday.

Lord Cockfield also sought to

grant equal access and treatment to bidders from other parts of the

Suchard of Switzerland has on the conduct of takeovers.

Lord Cockfield told a Financial

self-regulation.

"It will not be easy, therefore, poorly developed.

o find common ground. The Completion of the internal

survey of US business investment plans.

The survey, released by the Department of Commerce yesterday, shows the biggest annual increase since 1984.

The survey, released by the gests that the price of capital is now projected to fall by 0.8 per day, shows the biggest annual increase since 1984.

The new total of \$420.0 to is in the second man of the year will grow at a more moderate pace, with projected increases of 2.1 and 1.3 per cent in the last two quarters.

The most bullish plans are projected from non-durable man. reported from non-durable manu-

It had recently tabled proposals

THERE IS little prospect that the on control of large cross-frontier European Community will act mergers and planned later this soon to harmonise national rules year to propose rules which on takeovers, Lord Cockfield, the would require both sides in a

internal market, said yesterday.

Mr Michel Rocard, the French
Prime Minister, has called for planned single European market
common rules in the face of the in financial services would growth of takeover activity in require the City of London either Europe. He wants the EC to to admit unregulated outsiders or ensure that member countries to submit to excessive supervi-

sion by the EC. Firms would be licensed to community.

In Britain, the battle for the Rowntree confectionery company involving Nestle and Jacobs adequacy. But individual countries would be left to fill in the details, and Britain would remain fuelled demands by some British details, and Britain would remain companies and politicians for free to enforce the provisions of greater international reciprocity its Financial Services Act on marketing and advertising.

Lord Cockfield praised

Lord Cockfield told a Financial
Times lunch in London for members of the international financial
bers of the international financial
community that it would be difficult to legislate a "level playing and other EC countries would field" for takeovers in the EC. At least half the community's members had no national takeover EC approach to supervising secularistics markets, on which international co-operation was still tional co-operation was still

to find common ground. The whole subject and how to tackle market, planned for the end of it at the European level is one which merits much study and reflection – including the question of what kind of 'defensive tion of what kind of 'defensive the single economy," he measures' by firms vulnerable to takeover hids are acceptable," he said, adding that a Commission white Paper (discussion document) on this objective would be ment) on this objective would be

The Commission would continue to enforce competition law and to oppose national discrimination against share purchases as possible after 1992, he said by investors from other parts of Freedom of capital movements, strengthening of the European strengthening of the European Continued on Page 26

Carrington warns West not to relax defensive

stance By David White in Madrid

THE WESTERN ailles should not relax their defensive stance despite public impatience for more breakthroughs in East-West detente, Lord Carrington, the outgoing Nato Secretary General, warned yes-

Secretary General, warned yesterday.

Although there was confidence that the East-West dialogue was "established, regular, and getting broader and deeper," the West should not expect early defence cuts or an easing of the financial burden. he said at the opening session of the Nato Council's spring ministerial meeting in Madrid. "Whatever else may have changed in the Soviet Union, the military machine is still, so far, operating at exactly the same level as it was in the days before perestroika and

The Soviet Union's future in the light of current reforms European countries were moving in an even more unpredictable direction. "In these circumstances, it becomes even more important that the Alliance should continue to

behave in a predictable and reliable way."

The former British Foreign Secretary, who is about to give up his Nato job after four years, said the recently signed INF treaty, eliminating land based medium-range nuclear missiles, from Europe was achieved by negotiating from a position of strength and by maintaining a firm and united Nato line. It would be just as important to apply this lesson. important to apply this lesson in future.

In assessing Eastern European developments during yes-terday's closed-door discus-sions, foreign ministers and delegates from the 16 Nato countries are understood to have put the period needed for judging the results of peres-troika at between 10 and 20

There was clear agreement between ministers on the need to treat Eastern European countries individually and not

Sir Geoffrey Howe, UK Foreign Secretary, warned his col-leagues about the risk of political destabilisation sparked by the reform process. According to British officials, he said that one of the challenges for the change in Eastern Europe without precipitating chaos, and that Nato should not lay itself open to charges of pro-Continued on Page 26

\$7.3bn higher than was shown in a survey completed in March, however, that actual capital per cent higher than in spending in the first-quarter was try, which is currently unable was 1987. Investment spending last virtually unchanged from the meet demand. Durable goods manufacturing plans a 9.5 per cent above the record fourth-quarter 1987 figure, instead of rising by more than 3 cent rise in spending, but this is influenced by a 4 per cent fall in 1986 figure. instead of rising by more than 3 cent rise in spending, but this is Plans are particularly strong in materials industries which are had suggested. cent rise in spending, but this is influenced by a 4 per cent fall in planned motor industry invest-A sharp recovery, with a 4.7 ment. now short of capacity: paper,

Thorn raises bid for Holophane BY CLAY HARRIS IN LONDON AND GEORGE GRAHAM IN PARIS

The new total of \$430.2hm is slightly.

\$7.3bn higher than was shown in The announcement also shows.

and entertainment company, yes-terday increased its takeover offer for Holophane, the French lighting equipment and indus-trial glass group, underlining its drive for international expansion

house Guccio Gucci Spa's board of directors, sources close to ity of the French company's

Brown, two Texan oilmen who have been attempting to take over USG, big Chicago-based building products group, dropped their \$1.64bn offer for the company. Page 27

THORN EMI, the UK electronics increased offer has given another Mr Aimery de St Mars, Holoby stating that recent discus

in lighting.
Thorn's new FF1912.5m (\$157.3m) bid tops by 15 per cent last week's offer by Emess, the UK lighting and electrical acces-sories group, which received the "irrevocable" backing of a major-

jerk to the tug of war between the two UK companies. chief executive, yesterday an about-face and were now in angered his rival and his target discussions with Thorn, which by stating that recent discussions with the management of Holophane and Europhane, its lighting subsidiary, "have confirmed their support for an alliance which will significantly improve the international growth prospects for both companies."

Emess and Holophane said this implied incorrectly that the French company's board had

French company's board had backed away from the recommen-dation which included irrevocable acceptances for the Emess offer from shareholders representing 57 per cent of Holo-phane's capital

Holophane repeated its support for the Emess bid and said it had lodged a formal complaint about the Thorn announcement with the Commission des Operations de Bourse, the French stock exchange regulatory authority.

phane chairman, said Thorn gave the impression that he and his Mr Colin Southgate, Thorn fellow directors had performed was not the case. "It is absolutely scandalous," he said.

> Mr de St Mars said that even a further increase in the price offered by Thorn would not shake his commitment to the rival bid of Emess.

However, Thorn indicated that Mr de St Mars had taken part in friendly discussions as recently as yesterday. Thorn's financial advisers also

note that the Emess offer has not yet been formally registered by the Paris stock exchange, since it is still conditional on the approval of the UK company's shareholders. Until then, they claim, the

offer cannot be considered to Lex, Page 26; Thorn and Ericsson drift apart, Page 27

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BOLIVIA'S WAR ON INFLATION

AND DRUGS

period of political stability, Page 26

President Victor Paz Estenssoro's New Economic Policy rests on unprecedented

Middle East: Arab ranks closed by revolt in UK: British Steel bends itself into shape for Technology: Fishing for computer bargains in a cheap dollar pool European lighting: When bigger means Editorial Comment: Mr Dukakis sets the

Lombard: Ethics and the businessman ... Lex: British Telecom; Beecham; BAA; French Spanish banking: Playground warfare in pin-

pace; Tackling Africa's debt crisis 24

A SENIOR Soviet official visiting Rome yesterday called the Italian decision to play host to 79 US F16 fighter bombers "illogical and

The criticism, though predictable in itself, brings Moscow into an unusual alliance with a section of the Roman Catholic church following public state-ments of opposition to the deployment of the F16s in Italy by some bishops meeting at a Eucharistic Conference in Reggio

Both interventions are heating up the internal political debate in which the Communists and parties to its left are lined up against the five-party Government.

As the man who, as Prime Min-ister, renegotiated the Concordat between the Italian state and the Catholic Church in 1984, Mr Bettino Craxi yesterday put a strict Europe."

construction on its terms. "There is no clause in the Concordat Rome by Mr Mikhail Gorbachev requiring the bishops' authorisa- to give Moscow's report on the tion for the movement on Italian latest summit. Though he said

security and peace, the Government should react to this "inad-missible interference" into affairs of state, he added.

one argument — Nato's existing superiority — of which the opposition had not yet seemed to be aware.

BY ALAN FRIEDMAN IN MILAN

65-year-old Chicago-born chair-

Perhaps encouraged by the bishops and by signs of a reviving Italian peace movement, Mr. Nikolai Afanaslevsky, director of the European office of the Soviet Foreign Ministry, said that moving the Fish from their existing base in Shain to Italy would tilt base in Spain to Italy would tilt the balance of forces in Europe's southern flank even more strongly against the East bloc. Such a move to add to Nato's existing superiority in attacking

aircraft was, in any case, point-less, added Mr Afanasievsky. Within the year, give or take a month, it was clear that negotiations would begin on reducing conventional weapons. "So the destruction of these aircraft is already decided, they are con-demned to death and nothing can hold East and West back from the move towards a reduction in conventional weapons in

territory of troops or military his remarks should not be seen equipment," the Socialist leader as interfering in Italian politics, observed drily. Since the F16s were in aid of as such, since he offered at least

It was responding to an appeal

Court rules on Marcinkus

ITALY'S highest constitutional other Vatican bank executives — court has declared null and void the arrest warrant issued against Archbishop Paul Marcinkus, the fraud.

man of the Vatican Bank who lodged by the Milan magistrates was charged with fraud in the last year after the Court of Cassa-

was charged with frand in the last year after the Court of Cassa1982 crash of Banco Ambrosiano.

The Rome court made its rulcials, citing the 1929 Lateran ing without even going into the "merits" of the investigation state does not have the right to which led Milan magistrates to interfere with any central organs charge Mgr Marcinkus and two of the Catholic Church.

striving for credibility, has held talks with the Roman significant measure of freedom to church-linked groups of stu-dents and workers. The church has responded by urging a gen-eral easing of restrictions on the right of association.

The authorities are now promising that groups like the

promising that groups like the Warsaw-based Economic Society, which seeks to promote the values of a free market economy, and the Polish PEN club, whose activities were suspended during martial law, will be able to function legally. However, the leadership remains opposed to the idea of allowing Solidarity any right,

Poland may ease curbs on forming associations By Christopher Bobinski in

RESTRICTIONS on the legal formation of new clubs and ociations in Poland could associations in Poland could well be eased in the wake of a two-day meeting of the central committee of the Communist party which opens on Monday. The meeting will be the first since a flurry of strikes at the beginning of May, and it will seek to rekindle the hopes of democratic change that were engaged area! by the central

The task will not be easy, The task will not be easy, because, since then, the anthorities have shown little sign of readiness to concede more than a minimal amount of institutional democracy.

For example, the rules that have been set for local elections on June 19 fall far short of reformists' expectations, leaving the ultimate choice of

engendered by the central

candidates firmly in the hands of officialdom. Dozens of fledgling groups, ranging from political debat-ing clubs to one-issue associa-tions like the campaign against the dealth penalty, have failed to win legal recog-

olic church and offered a

Andriana Ierodiaconou reports on a rare visit by the Turkish prime minister to Greece

Athen braces itself for a meeting of allies

much more that this is a rare. The core problems are sur-contact between two traditional rounded by a web of spin-off dis-enemies. That, of course, is what putes on the sharing of sea and Greece and Turkey have consid-airspace rights in the Aegean, of ered each other to be for genera- which Greece only recognises the tions, despite having been mem-delimitation of the continental bers of the same alliance for shelf as a legitimate issue.

cycles of tension, followed by a presence on Cyprus, and Tur-brief period of detente, followed key's insistence on the necessity by renewed, higher levels of ten-sion.

Indeed Athens' position now is

this time the fruitless round can to Mr Ozal's arrival, regarding be broken with a solution to the the possible unveiling in Athens key problems.

IT IS difficult to keep in mind Turkey, the blocking by Greece that when Mr Turgut Ozal, the of the development of its rela-Turkish Prime Minister, comes to tions with the European Commu-Athens on Monday, it will be a nity. For Greece, Turkey's continvisit by the leader of one member used military occupation of 37 per of the North Atlantic Treaty cent of Cyprus, which Ankara Organisation to the capital of invaded in 1974 in the wake of a short-lived Greek military coup The political frissons generated against the government of the by the approaching visit suggest island republic.

Tellingly, the last visit to brought the two countries no Athens by a Turkish premier closer to agreement on any of the Athens by a Turkish premer closer to agreement on any parently took place in 1952, the year above issues. It has apparently Greece and Turkey were formally left fundamentally untouched admitted to Nato. This event both Greece's policy of predicat-failed to change what had ing the lifting of its objections to become an established pattern in closer Turkey-EC ties on the terrorical contraction. bilateral relations: recurring mination of Turkey's military

So far, Mr Ozal's visit appears that the ultimate success of the so far, Mr Ozar's visit appears that the intimate success of the to fit into just another such cycle Davos process itself depends in which, after having come close upon a Cyprus settlement involvto war over an oil exploration ing complete Turkish troop with dispute in the Aegean in March drawal. Cyprus, the Greek side 1987, Greece and Turkey subselpas declared, will be the central quently agreed in a meeting of item on the open agenda of Mr their two prime ministers in Ozal's talks in Athens with his Davos last January to refrain Greek counterpart Dr Andreas

by problems.

of a goodwill gesture in the form both sides will continue to ahide and of Dr Papandreou's handling two Nato allies who, try as Distilled down, these are: for of a partial withdrawal of Turby their established positions on of it has increased over the past might, cannot become freeze

Turgut Ozal: Cyprus top of the agenda

However both Ankara and The Turkish Prime Minister Athens in various ways have gave this view a further twist by warned against expectations of a stating in an interview just one dramatic breakthrough on week before his Athens visit that Cyprus or any other issue so problems are better solved by soon. The Turkish foreign minis-try has linked the issue of troop withdrawal from Cyprus to the less than kind reference to the progress of forthcoming United fact that the Greek socialists face

Davos last January to refrain Greek counterpart Dr Andreas from using force in resolving Papandreou.

Mr Ozal himself, while agreeately take umbrage and call offing to discuss Cyprus in Athens, the visit, choosing instead of the visit, choosing instead at the visit at the visit, choosing instead at the visit at the visit, choosing instead at the visit at the v with Dr Papandreou that the Ozal to clarify his remarks when Davos process will be a long one in which in the first instance both sides will continue to abide

governments at the start rather than at the end of their term: a less than kind reference to the Nations-sponsored talks between general elections within the year.
the island's Greek and Turkish communities.

It was a sign of the times that the Greek side did not immediately and the Greek side did not immedia

and Greek Cypriots, catalysed by a series of hawkish Turkish offia series of nawkish Turkish offi-cial statements on Cyprus and persistent Turkish military jet forays into Greece's 10 mile air-space over the Aegoan, which Ankara only recognises up to six

The Greek side attempted to remedy the latter situation at inceign minister-level talks at the end of May, with a memorandum of understanding in which the parties declared their respect for each other's national sovereignty and territorial integrity.

The memorandum's usefulness to Greece was limited, however, by its ambiguity regarding the extent of sovereignty, as well as by a reference secured by Turkey to both parties' right to use the high seas and international air-space in the Aegean. Dr Papandreou could go a long way towards fending off his critics by securing from Mr Ozal a more clear cut commitment to respect the existing status quo in the

Lacking something of the sort, and lacking a Turkish gesture on Cyprus, if not next week then at least in the next future, the Ozal visit will leave the Greek Prime Minister more than ever exposed to the charge that the Davos process has conferred legitimacy on Turkey while securing no advan-

tages at all for Greece.

It could also mark the beginning of the end of yet another ess cycle in the relations of two Nato allies who, try as they

Turkish Communist trial criticised by visiting lawyers

Ankara state security court was adjourned on Wednesday until

Mr Kutha and Mr Sargin were arrested when they returned last

ing developing country debt and

erode those countries prospects

The organisation's central fore-

cast, however, is cautiously opti-

mistic. Last October's stock mar-

ket crash appears to have had no lasting effect on business confi-dence; financial markets have

been relatively calm since it last

For the developing countries.

reported in December.

Japan West Germany

Total above Other OECD countries

Total OECD

Four Major Europ OECD Europe

North America

OECD Europe

Total OECD less the US

for growth.

STRONG CRITICISM of the con- November, prior to the general lawyers yesterday called for the tion into allegations of its inci- tardiness and lack of facilities at dence, and the abolition of capi- the public trial, the military pres- leaders in Turkey has come from month, to merge their parties, gin and all other political prison- tal punishment. a group of foreign lawyers
observing the proceedings.

The trial of Mr Haydar Kuthu
and Mr Nihat Sargin in a small

The trial is the trial is the lawyers of the order than the order than the order

been indicted. The trial is the strongest challenge yet to 63year-old legislation proscribing communism in the Turkish Republic.

A public declaration by the lan end to torture and investiga-

The declaration noted the law- the trial's postponement only one yers' deep concern that the whole day into the three-day reading of

yers' deep concern that the whole day into the three-day reading of process did not comply with the the indictment.

European Convention of Human The participating lawyers came from the UK, France, Canada, a signatory early this year-and standards of legal procedure throughout Europe.

It also complained about the Greece.

OECD ECONOMIC OUTLOOK

UK growth forecast to slow

RRITAIN is expected to grow more rapidly than the OECD countries as a whole in 1988 and its current account deficit on the balance of payments is forecast to deteriorate this year and next, the organisa-tion forecasts in its latest review of the UK economy.

After growing by 4½ per cent in 1987, the UK is expected to grow by 3½ per cent this year. By the second half of 1988, however, the UK is forecast to show signs of deceleration and is expected to grow in 1989 at 212 per cent, in line with the whole OECD group.

The OECD, however, finds itself in the position of many other forecasters dealing with the UK in that its views are circumscribed by the "imponderable impact" of the stock market fall of last October and by the "ambiguity" of some recent economic indicators.

"Stronger domestic demand and higher inflation than projected cannot be excluded in the period ahead", it cautions. Over the forecast period, the is for the economy to slow and for inflation to remain moderate. Consumer prices are forecast to rise at an annual rate of 34 per cent this year and

The unemployment rate The unemployment rate should fall to 9½ per cent this year, but rise to 9½ per cent next year because of slower economic growth. The OECD believes most of Britain's "discouraged" workers, who left the labour force during the recession of the early 1980s. recession of the early 1980s. have returned to work.

In its UK forecast, the OECD describes an economy where domestic demand remains strong, relative to output. Consumers' expenditure is expected to remain buoyant this year but is forecast to moderate in 1989. The ratio of savings to personal disposable income is forecast to rise from 434 this year to 5 per cent in

The combination of a strong exchange rate, a lower value for oil and domestic demand tending to outstrip supply has led the OECD to double its forecast for the UK current. account deficit in 1988 - from \$5.75bn to \$10.5bn - and to raise its forecast for the deficit in 1989 by more than 50 per cent (from \$9.5hn to \$14hn), compared with its forecasts in

The forecast for 1988, however, is broadly in line with the Government's projections for the current account. The OECD is not as pessimistic as some independent UK forecasters, who foresee a much greater deterioration in the balance of payments this year

Trade imbalances narrow but pace of change needs to quicken THE MAIN trade imbalances of whether the private sector will be nificant slowing in growth, or the US, Japan and West Germany willing to finance the US current even a recession. account deficit at "something Weskened OECD activity and pace of adjustment does not quicken then financial markets and without "excessive" upward each intensify the problems fac-

> REPORTS PREPARED BY SIMON HOLBERTON

able solution, the OECD says in it mid-year assessment of the major economies. The OECD economies grew by 3 per cent last year and the organisation expects output to

The US, Japanese and West solution, entailing another sharp German trade imbalances have depreciation of the dollar. heen narrowing substantially in volume terms and this is beginning to show up in dollar terms would be threefold. The US would benefit, but at the cost of as well. It expects this process to higher inflation. US interest rates

higher output and employment

pressure on US interest rates

organisation expects output to expand by 25-3 per cent this year and next.

Without further policy actions, the OECD says, exchange markets might enforce their own

would be forced up to defend the But while policy is moving in dollar and regain control of infla-the right direction and the OECD tion: this would trigger a reces-group is capable of achieving sion.

the organisation warns against dollar on the rest of the world.

The effect of the depreciated complacency.

and OECD Europe in particular,

The persistence of the imbalances raises the question exchange rates and provoke a significant formula in the shape of the persistence of the imbalance of the imbalance raises and provoke a significant formula in the shape of the persistence of the imbalance raises and provoke a significant formula in the shape of the persistence of the imbalance raises and provoke a significant formula in the shape of the persistence of the imbalance raises and provoke a significant formula in the shape of the persistence of the imbalance raises and provoke a significant formula in the report forecasts and provoke a significant formula in the report forecasts and provoke a significant formula in the report forecasts and provoke a significant formula in the report forecasts and provoke a significant formula in the report forecasts and provoke a significant formula in the report forecasts and provoke a significant formula in the report forecasts and provoke a significant formula in the report forecasts and provoke a significant formula in the shape of the persistence of the imbalance raises and provoke a significant formula in the shape of the persistence of the imbalance raises and provoke a significant formula in the shape of the persistence of the imbalance raises are shaped for the persistence of the imbalance raises and provoke a significant formula in the shape of the persistence of the imbalance raises and provoke a significant formula in the shape of the persistence of the persistence of the persistence of the persistence of the imbalance raises and provoke a significant formula in the shape of the persistence of the pers

the firming of commodity prices and the growth in world trade have eased their economic difficulties. Debt remains a problem to these countries, but the report so, too, will the rate of decrease will moderate and net exports notes that developing country in unemployment. Inflation, how-debt ratios fell for the first time ever, is not expected to rise and should remain relatively stable

CURRENT BALANCES OF MAJOR OECD COUNTRIES \$bn,seasonally adjusted,at annual rates					
	1985	~1986 ··	1987…	1968	1989
US	-116.4	-141.3	-160.7	-150	-132
Japan	49.2	85.8	87.0	85	80
West Germany	16,2	37,9	44.3	47	42
France	-0.4	29	-4,5	-5	-6
UK	4.2	0.1	-27	-10	-14
Italy	-3.6	2.8	-0.7	-1	-1
Canada	-0,9	-6.7	-7.2	-9	-12
Total above	-51,7	-18.4	-44.6	-44	-43
Other OECD countries	-2.5	-3.8	-8.9	-15	-21
Total OECD	-54,1	-22.3	-63.5	-58	-64
Four major European Countries	16.4	43.7	36.3	30	21
OECD Europe	24,0	51.0	37,5	24	9
EEC	18.9	49.9	39.0	30	16
Total OECD less US	62.3	119.1	107.2	92	65

this year and next.

1985 1986 1987 1988

7.4 7.0 6.5 11.6 11.4 11.25

7.9

7.5

8.3

UNEMPLOYMENT IN THE OECD

Source:DECD Economic Optionic/emp 1986

will make a large contribution to growth - and believes that Japan will continue its domestic demand-led expansion in the year ahead, a mixed performance is likely in Europe.
For many European countries

growth in output, investment and instances these problems with employment. Growth in Europe reference to West Germany, could average around 2 per cent France, the UK and Italy, at an annual rate from now until West Germany is constrained by the course of a 1999.

"On an individual basis, these budget deficit and the depen-countries are constrained by dency on exports for growth an increasing ratios of public debt to investment; France needs to GNP, some by external balance maintain high interest rates to and exchange rate consider forestall capital outflows; the UK ations, and a few still by inflation faces the prospect of either a widness," says the report. "And conening current account deficit or tinued satisfactory performance, higher inflation; and Italy's pub-in those countries where activity lic debt to GDP ratio is likely to is currently buoyant will depend the above 100 per cent by the early heavily on strong foreign marlegos,
kets to maintain sustainable
trade positions, as well as keeping domestic inflation under confore, on further reforms to

expansion in trade but Europe's lower government spending on overall real trade balance will subsidies to agriculture and decline over the coming years for industry and the bringing forthe first time since the early ward of "economically sound 1980s due to the improvement in infrastructure investments" to

the outlook is for sluggish trade within Europe as limited. It

remove obstacles to trade, a con-Growth prospects depend on an tinuation of taxation reform,

the US external position. expand the economic potential of the OECD views expansion of the region.

Unemployment may rise again in Europe

says.
The main reason for the rise in unemployment outside North

America in the 18 months ahead. is "a weakening, or stagnation" in the rate of growth of employent as European growth slows. Another factor is that special labour market measures may be less effective in containing unemployment in some countries.
The organisation also says that the decline in population growth in the 1960s and 1970s is not expected to improve the outlook for the unemployed in the com-

ing years.
Although making forecasts in this area is particularly uncertained declining populatain, it expects declining population growth in Europe to be offset by a rise in the participation rate, in the absence of higher growth, or a slower rate of growth in real or a slower rate of growth in real lective bargaining — centralised, unemployment rates in periods of special historical circumstances wages which might lead to a substitution of labour for capital.

At the beginning of this year it finds that there appears to be with respect to inflation, and the other countries.

UNEMPLOYMENT should continue to fall in the US and Canada but in Europe it may be on the rise once again, the OECD end of 1989, unemployment could be under the control of 1989, unemployment in the OECD area of 1989, under the control of 1989, unemployment control of 1989, under the control of 1989, unemployment control of 1989, unem have risen to 29.5m - most of this rise being accounted for out-

The OECD says that almost all of the fall in unemployment in Europe since 1985 – 500,000 – has been accounted for by the steadily-improving labour market situation in Britain, but casts doubt over the achievement.

"The reduction in European unemployment has been concentrated almost entirely among those under 25 years: in the four major countries, the average declining youth population and special measures directed towards this age-group."

The OECD also considers the

effects of different forms of col-

countries surveyed. Centralised bargaining structures, such as in Nordic countries, produce lower average

Source:ORCD Economic Outlook.June 1981

70.9 10.75 11 8.5 8.7 7.75 18.9 30.0 major countries, the average transport of the intermediate and decentralised structures reversed major countries, the average transport of the intermediate and decentralised structures reversed from the 1970s to the 1980s.". It also noted that centralised

wage determination systems have developed out of "rather

CORRECTION of the huge trade imbalances of the US, Japan and West Germany is well under way but the pace of adjustment is set to glow and worries persist over the story and the story and the story and the story are the story are the story are the story and the story are the story a extent of the adjustment so far has been large both in volume terms and when expressed as a share of the three countries'

remain large by the end of 1989 and that financial markets are likely to be concerned about the increasing difficulty of adjustment caused by the accumulation of external debt by the US.

It highlights the difficulties the US had last year in financing its current account deficit. Holdings of dollar assets by central banks increased by \$1300m last year as nrivate investors either liqui-

Worries remain over size of US current account deficit

to slow and worries persist over the size of the US current account deficit, the OECD says.

OECD countries in Europe however, accrus to the owner, accrus t US trade improvement by seeing their current account deficit rise. The main source of the

current account deficit will still remain large by the end of 1989 and that financial markets are stantial adjustment should be likely to be concerned about the almost half completed to rise countries already in deficit are likely to incur weakening current accounts over the projection period."

The organisation forecasts that annual rate of 11 per cent in the the US current account deficit second half of last year and the

"Within Europe, the current The main source of the account of nearly every country improvement in the US position is the projected improvement in 1987 and 1989. . and . it is notely exports of manufactural worthy that manufactural worthy that

.

Warning sounded on reform of agriculture and financial markets

AN OECD review of member gov-ernments' attempts to liberalise their economies finds that considerable progress has been made in liminating rigidities in markets. but that much more needs to be

The organisation says there has been increasing recognition among member governments that structural reforms are essential to the sustain improvement in economic performance. In some cases, the benefits of

the reforms have exceeded expec-

market deregulation and the fine resorms have also led governments agriculture — the emments to recognise that measurements to dangers for the sures used to control their finantial markets and fall to attend to volatility in controls, had created distortions and rigidities further, and that in a global system, "international co-ordination of prudential financial markets and fall to and that the use of open market supervision is essential."

On according to the control of production was a production of productial supervision is essential.

pursue them in a competitive These have resulted in chesper from tax systems, rigidities in environment, the OECD says.

In two key areas – financial service to consumers, market deregulation and the The reforms have also led gov
The OECD says governments

tations. They have opened previ-favourable in its assessment of flows respond not only to funda-ously unexplored opportunities financial market reforms and the mental economic developments and companies have been able to liberalisation of capital markets, but also to "distortions arising

المنظمين والمراجع المنظم المنظمين المراجع المنظمين المنظم المنظم المنظم المنظم المنظم المنظم المنظم المنظم الم المنظم والمنظم المنظم المنظم المنظمين المنظم ال

tutes a "major shortcoming" in their programmes of structural adjustment. The current policies of most to about 50 per cent. OECD countries continue to

remaining a principal area of fric-tion in international trade."

area, personal tax rates have fallen from about 60-80 per cent Although quantitative effects

impose substantial cost on of economic performance were national economies through difficult to disentangle from resource misallocation, high other influences, beneficial prices to consumers and large effects were discernable. Revenue budgetary expenditures, while targets had been met, often exceeding expectations, and lower marginal tax rates, comgrapple with issues of agricultural reform.

The discretization is generally bowever, has meant that capital take bold reforming action consti-

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Kohl hails new era in East-West relations

BY DAVID MARSH IN BONK

German Chancellor, yesterday hailed the start of a new era of hailed the start of a new era of especially glad that the break-greater "continuity and predict-through had occurred during ahility" between East and West Bonn's six-months' period of EC greater "continuity and predictfollowing last week's superpower presidency.
Summit in Moscow.

He told a news conference that medium-range US nuclear missiles based in West Germany would start to be withdrawn in would start to be withdrawn in less than four months time. This was a result of the exchange of ratification documents at the summit on the US-Soviet arms control treaty.

West Germany's policy of building up links with East Europe had been a success, he said. His emphasis yesterday, when he held out a renewed offer to the Communist east on further communist east on further

yesterday's signing of a draft to the Communist east on further agreement on establishing rela-

grievances. But intellectuals remain scepti-

cal about official policy on the environment, and their doubts on this issue appear to be symptom-atic of a deeper sense of uncer-tainty about the party leader-

Judy Dempsey reports

ship's commitment to economic

The new ministry, which is yet to be formally established, is in-

response to mounting public dis-content with the environmen in

Ruse, Bulgaria's second largest city, which is located on the Dan-

on the north of the country.
Over the past two years, the population of Ruse has been subjected, not only to pollution from Bulgarian enterprises, but frequently along a chemical due.

quent clouds of chemical dust

and firmes blown across the bor-

der from the town of Giurgiu in

The chemical enterprise at Giurgiu, which is under the

trading centre.

intellectuals' protest

from Sofia on an

movement which

has shaken

the authorities

and political reform.

Environmental fears

A WAVE of criticism from Bulboth with the official Bulgarian garia's normally quiescent intelpolicy towards the environment lectuals, mainly over the environass well as the slow progress of

ment, has prompted two the bilateral talks, in an unusual reactions from the Communist step, earlier this year, formed an authorities: they have put pressure on their critics to stop complaining publicly, and set up a in Ruse and other related issues.

The 200-strong committee

surface in Bulgaria

Constitution of the consti

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MR HELMUT KOHL, the West tions between the European Community and Comecon. He was

However, the Chancellor underlined again the need for stability in conventional weapons in Europe. He called for talks on lowering the "enormous" conven-

which was set up in Sofia included Mr Svetlin Rusev, con-

sidered to be the country's great-est artist, and Mrs Sonya Bakish-Todorova, wife of Mr Stanko Todor, the president of the

garia (1187-1896) and Gabrovo.

ial party policy, quickly silenced

With the winds of glasnos

the Bulgarian Communist Party, under the helm of 77-year-old Mr Todor Zhivkov, Eastern Europe's longest-serving leader, is showing

increasing reluctance to push

through substantial political and

economic reforms

his Christian Democratic party to the policy of building bridges with the east started by the Social Democratic-led Government at the start of the 1970s.

Mr Kohl said further projects covered by treaty agreements with Warsaw Pact countries were being negotiated. He expected fresh results this year especially in cooperation over environmen

tronic in view of the opposition of areas as many concrete co-opera-

Turning to domestic policy the Chancellor said he aimed to clear up all outstanding questions of economic and social policy cur-rently being discussed by the coalition by the start of the parliamentary holidays on July 8.

A key cabinet meeting is to be held on June 29, at which the Government intends to settle tal protection.

Government intends to settle details of next year's budget. This will include the tricky question will include the tricky question will include the tricky question of raising some consumer taxes October, said relations with the principally on petrol – by at Soviet Union had "central importence. My visit to Moscow has help bring down the federal the goal of driving forward in all , buget deficit.

tion projects as possible," he said. levy additional taxes in 1989 to boost revenues which will be depleted by a compromise agree-ment shaping up to offset social security payments currently dis-bursed by the federal states.

> Ahead of this month's economic summit in Toronto. Mr Kohl confirmed that debt relies measures for hard-up Third World countries would be high on the agenda. He also gave as broad West German goals at the summit efforts to cut the US bud-get deficit and to persuade Japan



Kohl: greater continuity

Russian priests to resume work in parishes

BY QUENTIN PEEL ON MOSCOV

LEADERS OF the Russian Ortho- It is the first move by what is new law on freedom of con- the church during the "cult of

dox church, meeting in a an extremely cautious and conhigh-level council for the first servative hierarchy to take by the authorities. The law is and more deringly still mention time in 17 years, have approved a advantage of the willingness of expected to allow the church in parish affairs.

The decision, taken while the ter was approved by acclasment, tively barred by legislation responding to criticism from disconnections.

responding to criticism from dissident church members that the leadership has been afraid to speak out on such issues, while they are being openly debated by

Homeland for Tatars - if there is room

subject of repeated demonstra-tions in recent months.

A communique issued by the World War- might still have dif-world war- might still have dif-individual groups of Crimean

"Taking all these circumstances into account, the commis-

Lack of response to steel closures plea spells end of quotas

THE END of European Community steel output controls moved a step closer yesterday as the Brussels Commission revealed that governments had largely failed to respond to its plea for voluntary plant closures.

Speaking on the eve of a Commission deadline for offers of capacity cuts, an EC official said day, where Mr Karl-Heinz Narjes, member states and steelmakers the Industry Commissioner, is had failed to produce a single closure commitment for the 10m allow quotas to lapse. The final tonnes of overcapacity in hot rolled coils, the largest compo-nent of the EC's 30m tonne surplus in steelmaking potential.

Brussels had received promises to close "very little" of the 5.9m tonnes heavy plate making over-capacity and "a little more" for the 3.7m tonnes surplus capacity in heavy beams, he said. He confirmed that offers for

both products were insufficient to justify continuing to extend the protection of quotas. The Commission was offering to consider prolonging quotas for three years from the end of June, when they formally expire, if it obtained guarantees to shut three-quarters of the surplus capacity in each product in the sion for a global agreement or

Yesterday's confirmation of technakers' lack of response to the Brussels closure call makes it almost inevitable that the quota system, which governs around

half of EC steel output, will end. Eurofer, the club of big inte-grated steelmakers, has lobbied forcefully to keep the eight-yearcommission, headed by President ficulty in gaining residence per-Andrei Gromyko, said some 2,500 mits, because the population of implementation of positive mea-Crimean Tatars had already been the Crimea had trebled from sures by insisting that the issue the support it provides for prices. of creating a Crimean autonomy They fear a hasty end to quotas be resolved in the first place. Will provoke a price and subsidy

> But that argument has looked surprise upturn in demand.

understood to accept grudgingly that the system will end and are instead pressing for a transi-tional period of informal produc-tion guidance from Brussels.

European Commissioners are to decide their response to the lack of closure offers at a meeting in Strasbourg next Wednes-day, where Mr Karl-Heinz Narjes, allow quotas to lapse. The final decision on ending quotas and what kind of market regulation
- if any - should succeed them
is due to be taken by EC Industry

Ministers on June 24.

The Italian government has sought to brush off the European Commission's suspicions that it has been subsidising the public steel company, Finsider, in breach of Community competi-tion regulations, John Wyles

adds from Rome. Complaining that the Commission's threat of legal proceedings over bank loans to Finsider was "an argument over the past", Mr Carlo Fracanzani, the Italian Minister for State Participation sion for a global agreement on the future of the Italian steel industry which would remove the

threat of legal action.
In a report from Brussels yes terday, Agi, the Italian news agency, says that Mr Fracanzani accuses the Commission of discriminating against the Italian credit system by arguing that loans to Finsider carried an implicit state guarantee because they were made by publicly owned banks.

The Government is due to adopt finally a steel industry restructuring plan next Tuesday which will be speeded to Brussels in advance of a meeting of Com-munity industry ministers on

Advertisement

church is in the throes of major celebrations to mark its milkenium, effectively removes a self-imposed restriction which prevented priests doing more than conducting church services. The four-day Local Council also heard for the first time a major Orthodox church leader, take advantage of a promised speak out about the suffering of

National Assembly (Parliament) and a member of the polithuro. Several other informal groups were set up in Ruse, Veiiko Tur-novo, the former capital of Bul-SPECIAL restrictions preventing tens of thousands of Crimean Tatars from returning to their homeland in the Crimea, from The authorities, shaken by the spontaneous movement which is which they were deported by Stalin 44 years ago, have now been lifted, a Government comighly unusual in a country where intellectuals rarely step outside, let alone challenge offmission announced yesterday.

However, it rejected calls to create an autonomous Crimean republic, and made it clear that economic development and ordiblowing freely into Bulgaria through the wide availability of Soviet television and newspapers, nary residence restrictions would still limit the Tatars' return, the

granted residence permits and provided with jobs. Action was being taken to improve employment opportunities, with the establishment of new state farms and other organisations.

The population was now overwhelmingly either Ukrainian or Russian, and the area, like other "health resorts," was subject to greeigh resorts," was subject to greeigh resorts, we would need to be a subject to greeigh resorts.

and other organisations. "health resorts," was subject to The commission implied that special procedures on residence the exiles-deported by Stalin on permits, it said.

sion has reached the conclusion that there are no grounds for establishing a Crimean auton-industry has benefited from a

Sweden calls off West German submarines visit

Signs of this reluctance emerged in a major policy speech by Mr Zhivkov in April when he said that "a number of problems which the public is concerned about in certain socialist countries have been solved in Bulgaria since 1956."

Mr Zhivkov was referring to

sescu, the wife of President Mico. Mr Zhivkov was referring to lase-Geansescu, manufactures sertification the 1956 "April thesis" which was eral types of chemical and aimed at setting the party on a intustrial products.

The large emissions of chloride which proved rafter short-lived.

after a cloud of chloride fumes
wafted over the former Hapsburg
trials themselves will be debated at an important central commit-In an effort to to deal with the tee plenum.

problem, and maintain good relations with Romania, the Bulgarian authorities have been holding several meetings with their July. It will deal comprehen-Romanian counterparts and a special joint commission was the sciences. It could also include some personnel changes both in However, many prominent Bulthe central committee secretariat garian intellectuals, dissatisfied and the polithuro.

By Sara Webb in Stockholm

THE Swedish Defence Ministry has asked West Germany to can-cel visits of its submarines to Swedish waters for fear that they could become entangled in a search for submarines of unknown nationality thought to be lurking off the Swedish coast. Depth charges, anti-submarine grenades and mines have been

dropped in waters around Gothwhich have been spreading across from Giurghi to Ruse have some Bulgarian intellectuals as stockholm and Oxeloesund on the west coast and Stockholm and Oxeloesund on the east during the past week after signs that foreign submarings inhabitants temporarily left after a cloud of chloride fumes.

His speech was interpreted by some Bulgarian intellectuals as Stockholm and Oxeloesund on the east during the past week after signs that foreign submarines were violating Swedish territorial waters.

Violations of Swedish territorial waters are supplied to the control of the contr

rial waters are an annual sum mer event and the military widely suspect that the submarines are from the Soviet Union.

Mr Ingvar Carlsson, the Prime
Minister, earlier warned that
"blood could flow" if the violations continued, but when his Soviet counterpart, Mr Nikolai Ryzhkov, visited Stockholm he dismissed allegations of Soviet involvement as absurd.

The Huhtamäki Group:

Food-drugs-packaging entity in search of new prospects

By Victor Thome, Helsinki

Acquisitive, profitable and securely founded on brand name products, from candy and chewing-gum to IUDs and contraceptive implants, from ophthalmics and pharmaceuticals to paper and plastic tehlew Huhtamäki Group has already prepared itself for the advent of 1992 with consolidation in its four main operating sectors of confectionery, food, health care and packaging.

tablishment in the markets of Europe and the United States, an efficient and flexible. management structure and adequate capitalisation, this food-todrugs concern is ever on the acquisition trail, with suitable commercial pros-pects targeted well in advance of any opportunity to purchase.

Last year alone, Huhtamāki bought up two Finnish drug manu-facturers, Star and Rohto, as well as the West German disposable packaging firm of Bellaplast

And only last month (May), the group announced its purchase from Reil Corporation of the Lilypak group of companies, a leading A\$ 100 million turnover food service disposables manufacturer operating in Australia and New Zealand, in a deal valued at A\$ 104 million. With the inclusion of

Lilypak, Huhtamāki's highly successful Polarcup group assumes the position of the world's third largest supplier of disposable tableware, the largest outside the United States. The current relocation of Polarcup's group headquarters from Finland to Wiesbaden, in West Germany, is indicative of

global philosophy of decentralised management

FINAL

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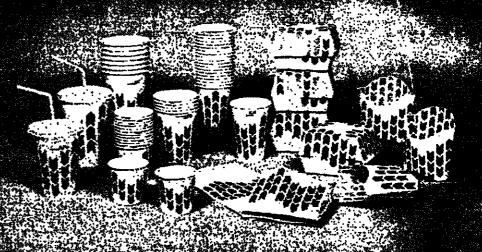
Backed by a firm es- under central directorial supervision.

> Listed on the Helsinki Stock Exchange, Huhta-māki has experienced three years of unbroken turnover and profit growth, producing ample returns for shareholders Finland, Britain further afield.

> In 1987, its earnings per share rose 25%, turnover climbed 7% to £590 million (with 54% of that figure generated out-side Finland), profit after financial items soared by 31% to £27 million, and the share dividend was up in excess of 30%.

Recent share issues were aimed at boosting the company's capitalisation to
£56 million – raising its
gearing for further
expansion through product
development and acquisition.

Asko Tarkka, Chair-man and CEO of the Huhtamäki Group, views the future with cautious optimism. He foresees growth in the company heavyweight confectionery sector (44% share of turnover), in the specialist market niches in pharma-ceuticals (28%), on which Huhtamäki has based some profitable manufacturing activities, and in that the parent company's rising global philosophy of packagin sector, packaging (accounting for 12% of turnover in 1987).



Throwaway success: Polarcup is world number 3 in disposables

financial position overall, we're aiming to have a for other products. head start if an interesting acquisition opportunity

arises," he states. "The ability to reach a quick decision, for instance, was instrumental acquiring the three US companies now forming Leaf, Inc."

Developments in the confectionery sector were highly satisfactory last year. Following three years of major consolidation from its US base, Leaf recorded a healthy sales performance everywhere, with sales taking a mighty 18% leap in 1987 – proving that what Tarkka describes as a "strong organic growth" was achievable.

"Leaf has gone growing this year," he adds, "bringing Chuckles jellied candies and Pine Bros. cough drops into the (Norplant), ophthalmics fold and buying 49% of the shares of L.S. Heath & nature of Oftan) and a Sons, a medium-sized range of drugs for manufacturer of chocolate, cardio-vascular problems, toffee and ice cream flavourings."

Leaf's annual sales of its largest single product, whoppers malted milk balls, exceed £27 million. Other high-profile brands in North America include the Salbuvent cancer drug Tamofen and in North America include an original preparation, lolly Rancher Now&Later Normassang for the Jolly Rancher, Now&Later, Rain-Blo, Clark, Switzer, Good&Plenty, Mr. Freeze

presence in most countries. profitably in corners of the The Sportlife sugar-free market too insignificant in gum made in the Netherlands and advertised via pharmaceutical concerns to satellite TV channels is the find interesting. It also subsidiary's first pan- means that the company's

"In strengthening our European brand and expenditure of some 12% of indicative of future plans its net sales on R&D in this There is Hellas, too -

known for its Xylitol-

Jenkki chewing gum as well as Tupla, Royal and Budapest chocolate products. In the longer term, Huhtamāki

regards pharmaceuticals as area with the highest growth potential - but also the sector with the biggest question marks. We've built new research facilities and

stepped up our R&D outlay considerably in narrowly defined niche Tarkka maintains. "The results should be positive in both scientific and economic terms." The group's priority areas include birth control

products such as IUDs (NOVA T) and implants cancer and respiratory diseases.

Internationally known Normosang, for the treatment of acute hepatic porphyria.

volume terms for the giant

sector is allowed to reap rewards.

On the prospects for owth in pharmaceuticals, Tarkka explains: "Any expansion in this sector will arise from our own ability to be innovative and to market internationally. We're represented in many countries, and also run sales offices of our own.

"However, the volume of our pharmaceutical business is such that we simply cannot afford a world-wide network. For this reason, we've been actively looking for a partner who already operates a sales and distribution system internationally."

Such a move is very much in line with the company's global strategy. And it is a strategic policy that is designed to arm Huhtamāki for commercial combat within the fiercely competitive, barrier-free

Asko Tarkka concludes: "We're already well entrenched in continental Europe in the confectionery, pharmaceutical and packaging markets. but nevertheless are consciously fortifying our foothold in the Twelve.

"In the few years" run-up to 1992, we'll be and Ice'n Creamy.

Being comparatively aiming to create a panEurope, Leaf has a Huhtamāki to operate a more strongly competitive position in the Community European markets.

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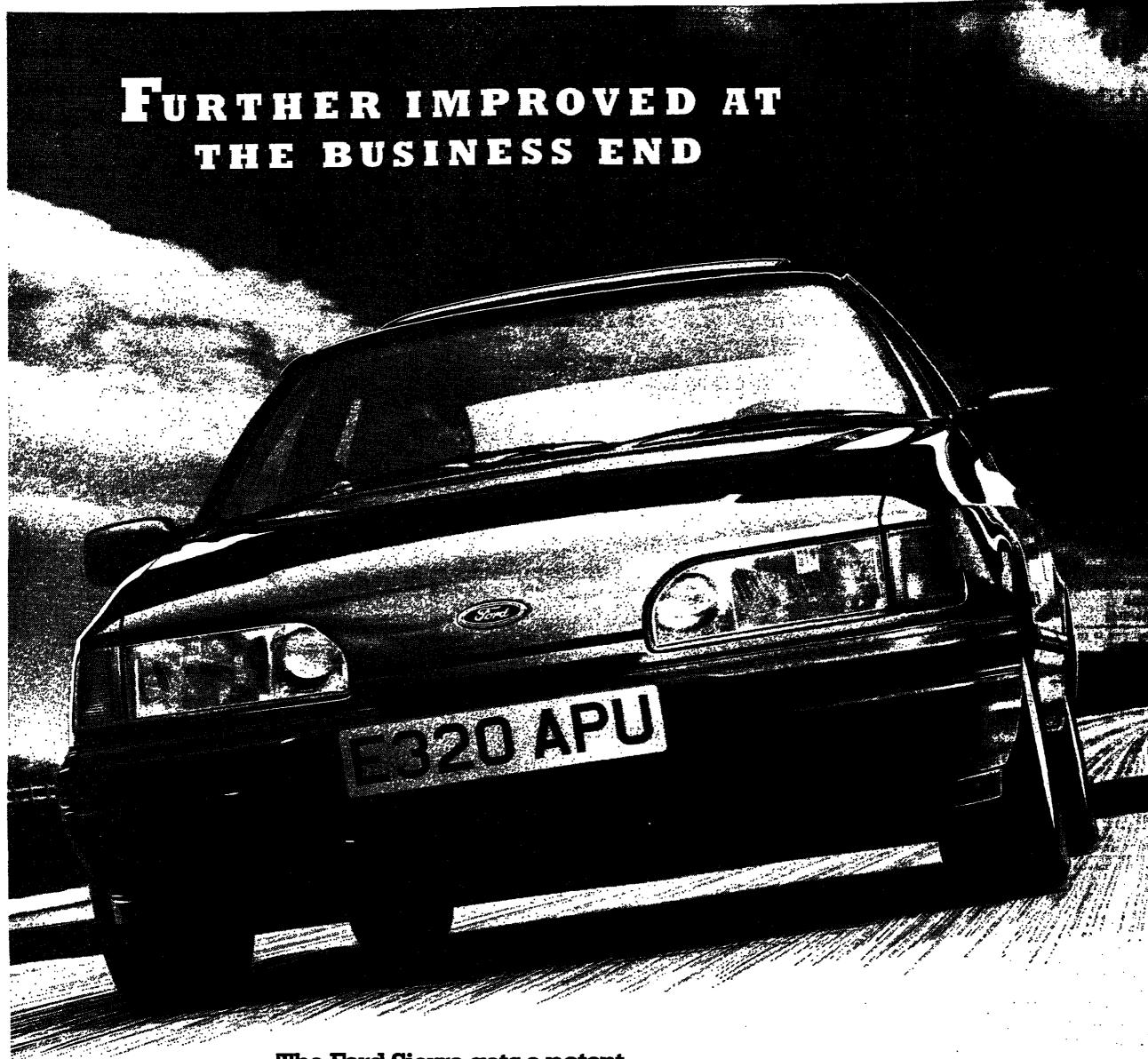
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We won't go into all the technical details here. (If you're interested in roller tappets, needle bearings, hemispherical combustion chambers and microchips the catalogue is full of them!)

Suffice it to say that, with more mid-range torque to give you extra urge at lower revs, the new 1.8 is a quieter, smoother and more driveable car.

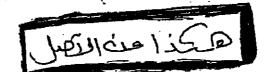
You may also like to know that without any adjustment it can give you all the benefits of running on lead-free petrol.

But enough of engineering. How can we add to your enjoyment? The Sierra LX featured above, for example, has a sunroof that tilts or slides, a powerful six speaker, self search, stereo radio cassette sound system, tinted glass, rev counter... in fact, everything you need to make long journeys a pleasure.

Of course, many of these features, along with the new 1.8 engine, are to be found in other Sierra models.

The new cars are at your Ford dealer now. So why not call in and get down to business.





AMERICAN NEWS

Ruling threatens Iran-Contra prosecutor's case

only way to persuade witnesses to tell their story to the public,

In pre-trial hearings in Wash-

ington, defence lawyers have suc-cessfully argued that their clients

should be allowed to use one

another's immunised testimony to defend against the charges. To

separate trials, Judge Gesell has forced Mr Walsh to lay out his entire case in the first instance

unless he can arrange for four trials to be held simultaneously.

Such restrictions may persuade

Mr Walsh to drop the ambitious

conspiracy charges and rethink his tactics, confining himself for

example to obstruction of justice

tion, battling successfully among

THE SPECIAL prosecutor in the that a grant of immunity was the Iran-Contra affair has run into only way to persuade witnesses iran-Contra affair has run into difficulties in his case against former White House aide Lieutenant Colonel Oliver North, former National Security Adviser Rear Admiral John Poindexter, and two others. A judge in Washington has ordered separate trials for the four and told the prosecutor, Mr Lawrence Walsh, he must decide by today whether to proceed to trial against Col North or ceed to trial against Col North or Admiral Poindexter:

The ruling appears to threaten a central part of Mr Walsh's case a central part of ar waish's case

— alleging a conspiracy by the
four men to defraud the US Government and cover up their activities. These are alleged to include
selling arms to Iran and diverting
the wrofits to the Nicaraeuan rebrement and cover up their activities. These are alleged to include selling arms to Iran and diverting the profits to the Nicaraguan rebels, and other unauthorised covert operations.

More positively for Mr Walsh, it looks unlikely that IIS District.

More positively for Mr Walsh, it looks unlikely that US District Judge Gerhard Gesell will dismiss the 23-count indictment on the grounds there is no case to answer. This raises the possibil-ity of trials stretching into the presidential campaign and more coverage of a scandal which has already hurt the Republican Party candidate, Vice-President George Bush.

and alleged bribery of govern-ment officials. Mr Walsh's problems stem from last summer when the con-However, the 76-year-old judge has proved a stubboan opponent during his 18-month investigagressional committee investiga-ting the Iran-Contra scandal granted limited innunity from prosecution to several witnesses, including Col North and Admiral other things for Swiss bank records and testimony from

oindexter. Israeli officials. He may not wish to bend.

Venezuela seeks loans to cover deficit

THE VENEZUELAN Governmen is reportedly seeking around \$1.3bn to help cover a balance of payments deficit that could reach between \$3bn and \$4bn this year

In one operation, the Gover-nent is trying to obtain a \$700m loan from the Bank for International Settlements, using part of its foreign reserves as a guaran-

In another, it reportedly is ask-ing for \$450m from international commercial banks against future sales of non-monetary gold mined from large deposits of the min-eral that exists in Venezuela's Guayana region. A possible hitch in this deal, however, is that the banks may ask for some kind of guarantee other than receipts from gold that has not yet been removed from the ground.

The Government began selling gold from the Guayana mines last year and has obtained \$126m for six metric tonnes placed inter-nationally. It also has gold worth around \$50n as part of its international reserves. This monetary gold could be used as a guarantee gold could be used as a guarantee the most polluted place on earth, for international loans, or in now highlights the improvements some type of repurchase agreement (Repo).

City once called the most polluted on earth has slashed toxic emissions

Cubatao: Brazil's ecological success

ONCE described as the most pol-ress. Brazilian private and state luted place on the face of the industries and the multinationals earth, the town of Cubatao is are complying with environmenturning into Brazil's first envi- tal norms," he said.

pollutants into the air. Asthma, install anti-pollution equipment bronchitis and other respiratory ailments were rife, and fish disappeared from the rivers.

But a four-year programme to

inhabitants. With the fish back federal and state governments after 30 years, the town is even planning a fishing festival.

When the São Paulo state gov-

ernment launched the pollution control programme in 1984, experts identified 320 points of toxic emission from the local fer-tiliser, petrochemical and steel tiliser, petrochemical and steel roads and plenty of water.
plants. Today 93 such points In three decades, its factories remain and officials expect to came to account for 16 per cent of control them by December 1989. In 1984, toxic emissions led Cetesb, São Paulo's environmental agency, to declare 17 states of alert under which plants were closed until air quality was back to an accepted level.

Mr Paulo Nogueira, a former The traveller coming here from federal secretary for the environ-São Paulo takes a scenic road trament who in 1984 called Cubatao

In 1987 only four alerts were

remental success story, Reuter reports from Cubatao.

For decades, its 24 heavy industrial plants beliched 75 noxious mental protection laws and install parts into the six Asthma.

within a rigid time-frame.
"Not a single polluting company set up shop here since the programme began," said Mr Benedito Conceicao Filho, directors of the control of the c But a four-year programme to Benedito Conceicao Funo, unccesan up Cubatao, 60 km south Benedito Conceicao Funo, unccesast of São Panlo, is ensuring a tor of Cetesb in Cubatao.

He said that the World Bank, and state governments

\$300m on the program.

From the business point of view Cubatao is ideally located. 24km from Brazil's biggest port, Santos, and close to its economic capital, São Paulo, with good

But ecologically, the location was a disaster. Cubatao lies at the foot of a 1,000 metre mountain range which prevents the dispersal of industrial fumes. A dark pollution cloud is trapped in

versing lush green forest and mountains and then encounters gigantic towers billowing fumes. Though the hillsides are still There has been startling prog- surprisingly green, they are

tion - skeleton trees and naked area. The few remaining families veins of barren land where plants can be seen packing their belong once thrived. ·

State prosecutors in São Paulo they leave, a tractor razes their have taken 24 companies in shacks to ensure they never cubatao to court, demanding reforestation of the area.

"We want the companies to restore 67,000 hectares of plant life," said Prosecutor Ronald If the state wins, the compashies would have to pay up to \$500m, the highest sum paid in an environmental case in Brazil, probably in Latin America, the prosecutor said.

The companies involved in the suit include the Brazilian subsidiary of Union Carbide and Rhodia

During the 1964-85 military dictatorship the Government made Cubatao an area of "national security" under direct federal control, because of its industrial

Ecologists said Cubatao's spe-cial status had made it harder to introduce environmental controls. The town is home to Petrobras, the national oil company, and a state steelworks, Cosipa. Near the Cosipa plant are the

remnants of Vila Parisi, a shantytown caught between nine factories. Until recently, 15,000 people lived under the factory chimneys. Many complained of dizziness, ches, coughing and high blood pressure.

Most have been transferred to

ings or loading trucks. As soon as

"This is the end of the world the Valley of Death," said Dr Luiz Ferreira at Vila Parisi's emergency clinic. "It should have

In February 1985, slum-dwellers were evacuated after one arby plant leaked high levels of ammonia into the air.

Officials say that since the four-year programme began, all categories of pollutants are much better controlled. In July 1984, 236.6 tonnes of industrial parti-cles were released into the air every day. This has now dropped by 87 per cent, while emissions of phur dioxide have fallen by 3

Industrialists in Cubatao say their outlook has changed. Mr Mario Cilento, a director of the Carbocloro chemicals company said: "Before, our main goal was to produce above all. The symbol of our industries was a smokin tower. But times have changed." Health workers say the situa-

tion is still far from perfect. One official said that despite pollution control respiratory ailments such as tuberculosis remain the lead-

Progress in Nicaragua peace talks

By J. D. Gannon in Managui

THE LAST scheduled day of negotiations between the Nicaraguan Government and their Con-tra opponents began in Managua yesterday with an agreement apparently close but uncertain. Progress on a final accord has clearly been made, both sides reported. So much so, in fact, that Sandinista Defence Minister General Humberto Ortega pres-ented the Contra delegation with a complete calendar for an end to the war and the rebels' re-inte-

gration into civilian life.
"If an accord is signed today," said Gen Ortega, who is the San-dinista chief negotiator, said, "the last Contra could have laid down his rifle by October 10."
But, he added, "we must have

The Government appeared pes sinistic on Wednesday afternoon when hardline Contra director Mr Aristides Sanchez took over as rebel chief negotiator from Mr Alfredo Cesar, the most liberal member of the rebel directorate. But Mr Hans Jurgen Wis-chnewski, the West German Social Democratic Party official who advises the Sandinistas as a member of their delegation, said: "We have never been so close" to reaching an agreement, he said. Mr Wischnewski said the date rebels as the starting date for the

GLOBAL INTEGRATION OF JAPANESE MANAGEMENT

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With a Firm Grasp of the Future

The opening of Sanyo Securities' vast new trading room on the waterfront in Tokyo ushers in a new era for Japan's securities industry. A single dealing room for all instruments, and a strong commitment to the latest information technology systems puts Sanyo Securities in an unrivalled position to expand in line with client demands. President Yoichi Tsuchiya explains.

THE US Senate has approved leg-Prospective beneficiaries will islation providing for the biggest have to meet higher monthly expansion of the federal health Medicare premiums, beginning at care programme for the aged since it was launched in 1965. \$3.80 next year. Wealthier retirees will have to pay a tax sur-

The legislation, already charge, approved by the House, amends the Medicare system to provide for "catastrophic" health care for sponsors Meanwhile, the Democrat-con-trolled House killed legislation, sponsored by the 87-year-old Repthe elderly. Any of the \$2m Medi-care beneficiaries will be entitled to free hospital care once they have paid the annual fee of \$564 resentative Claude Pepper, which would have provided federal financing for long-term home care for retirees, the disabled and children mader 19. The bill could have added as much as \$9bn a year to the costs of the Medicare In addition a patient will not have to pay more than \$1.370 a

US Senate extends

Medicare protection

year for doctor services covered by Medicare provided those services are approved by the federal health system Senator Lloyd Bentsen, chairman of the Senate Finance Com-mittee, said: "What we are doing is saying to the elderly that the avoid giving the Republicans evidence to support their contention that the Democrats are taxers re you feared so much -

Revised US visible trade

THE FOREIGN exchange markets were thrown into confusion were both revised downwards by yesterday by the publication of nearly \$10n, mainly because the

chandise trade figures for the last two-and-a-quarter years.

The adjustment showed a trouble keeping up with the surg-ing growth of exports.

The February export figures

higher deficit for the first three were revised up by 2.5 per cent and the January figures by 2.9

figures confuse markets

BY ANTHONY HARRIS IN WASHINGTON

sonally-adjusted US mer-

The adjustment showed a

than those for later quarters. This was first read as a down-

ward revision of the figures, and

the dollar was marked down; only to recover on a closer read-

two-and-a-quarter years.

if you have catastrophic illness you are going to have your life savings wiped out — is going to savings wiped out be taken care of." Although the Administration of President Ronald Reagan, bowing to political pressure, has sup-ported passage of a catastrophic health care plan, the scheme is more comprehensive than it

Rejection of the Home Care powerful lobbying groups representing older Americans, shows how anxious Democrats are to

The nation's health care system will continue to be a focus of political debate this year. Gover-nor Michael Dukakis of Massachusetts, the likely Democratic presidential nominee, has pushed a universal health care bill for few weeks ago.

statisticians seem to have had

Robins: Sanyo Securities has just completed the world's largest trading room. Why did you decide Tsuchiva: I think you would

understand if you saw it. Globally the securities industry has underpast few years. Probably no area has been more affected by these changes than trading. We are seeing a dramatic growth in the interdependence of markets across the board, CB's, warrants and index futures markets respond to movements in underlying equities, which in turn may respond to movements in the bond markets, which may be affected by changes in the currency markets. Being able to follow the flow of news and its impact on these diverse markets has become a paramount consideration.

Coping with the increasing interdependence of markets

We felt strongly that the only way to address these developments was to create a trading centre that would allow us to place all trading functions under one roof and in one open, interactive area.

thereby create the ideal trading

Robins: So is Sanyo unique in

Isachiya: Well frankly, I'm

Japan for having undertaken such

not sure we even realised this was

where we would end up when we

first undertook the project. Ade-

quate space has been a problem

that goes back to the 1971 merger

of the three firms that make up

Sanyo. When the land on the

Tokyo waterfront did become

available, we saw this as a perfect

opportunity to move our ever-

expanding back offices to the new

area_much as Merrill Lynch did

when it moved its back offices to

environment.

an ambitious venture?

months of this year, and especially for the unexpectedly good March figures, than the previously published figure. The first turee and the January figures by 2.9 per cent; exports in 1987 were under-reported by only 0.5 per cent, and those for 1986 seem to have been to be the desired on the control of the Certainly Sanyo was not the first firm to come up with this idea. You have only to look at have been accurate on the day of quarter regularly produces rela-tively more favourable figures publication. recent developments in trading The new figures were published in preparation for regular seasonally-adjusted trade figures, rooms at Salomon Brothers, Bear Stearns and Merrill Lynch to see that this has become an important starting with the April numbers which will be released next Tuesconcern for any brokerage firm looking to be competitive-espe-In fact the only news in the Bureau hopes to produce volume cially given the market environment that's currently unfolding. announcement was good: the def-numbers as well by 1989. But those new rooms by necessity were often renovations of existing facilities. Where Sanyo has been 3 month average extremely fortunate is in having enough undeveloped space to construct a whole building and

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Mr. Yolchi Tsuchiya, Presiden Sanyo Securities Co., Ltd.

New Jersey. But while land is extremely expensive anywhere in Tokyo, finding a parcel of land large enough to build anything substantive is so unusual that we quickly realised that we were looking at a far more exciting opportunity-that of creating the "perfect" trading centre from scratch.

Think of Japan as the U.S. ten years earlier

Robins: With the competitive environment changing rapidly in Japan, do you see this trading centre as a key to meeting this

mounting challenge?
Tsuchiya: Well I look at the problem a bit differently. I think of the value of the trading centre more in terms of meeting the increasing needs of our customers. They're the ones who demand better information and execution flows. If I can use the U.S. as an example, once the markets started to deregulate, clients began to play an increasingly aggressive role in requiring more comprehensive services from their brokers.

In some sense this growing diversity of client demands is also a product of the institutionalisation of the market. You might say that today Japan is much like the U.S. in the late 60's when institutions comprised more than 50% of the trading activity of the market for the first time. That was a development that had far-reaching implications for the future course of the securities industry in that

Robins: Does this mean that you will be focusing more attention and capital on blocktrading and market-making for institutions?

Tsuchiya: There's no question that once commission rates become further liberalised, trading levels will increase and there will be greater demands on brokers to pro-

vide these services. I see the current focus in our trading centre as being an important move in meeting those needs. But the real key will be how readily securities firms can expand their existing capital bases to meet the required capital ratios. If this can't be accomplished through retained carnings, then I'm afraid that brokers in Tokyo may face the same prospect that firms in the U.S. have in the past few years-mergers or business tieups may be the only option.

Creating an all-weather business

But that's not going to be the only consideration for the future. I feel it is going to be equally important to maintain enough breadth in our outlook to weather any dramatic shifts in market sentiment. I'd like to see our trading centre as providing us with a strong foundation for that diversification, particularly in keeping us well-balanced in terms of retail, institutional and foreign business.

For the retail side, it certainly will enhance our ability to handle volume small-lot trading. For the institutional client and international client there is the ability to handle complex inter-market information flows and provide a 24-hour trading capability. I see our dedicated communication system as providing the kind of global linkage required for two-way trading in any of the major markets.

Robins: Recently there's been considerable discussion in the press about how quickly these trading rooms can become obsolete. How do you expect to address that problem?

Tsuchiya: What we've tried to

do over recent years is develop a strong in-house capability for development of financial technology. We now have nine subsidiaries dedicated to software and systems development, and I think it is this capability that will allow us to be responsive and flexible to the pressure of constant change.

New developments for portfolio managers

Robins: You've particularly stressed financial technology and the institutionalisation of the market as important. Do you see these two developments as having an impact on asset management in Japan and if so, what implications would this hold for Sanyo? Tsuchiya: Clearly Japanese

money managers have lagged behind foreign managers in their level of sophistication and professionalism. In this sense our joint management ventures with U.K., U.S. and global management firms have been particularly valuable. The techniques the European managers have shown us for global strategies and the technology and theory that the Americans have developed for portfolio construction have been important contributions. But these are skills that don't always translate perfectly in the Japanese system. That's where I think a company like

Sanyo can play an important role. We can assess which of these techniques really is transferable to the Japanese market and which isn't. And where strategies aren't transferable we can develop alternative technologies.

Sanyo's Tokyo trading room, the world's largest.

I think we'll start to see securities firms play an increasingly important role in passing on this knowledge to their clients and providing institutional investors with the tools they require to function more efficiently and responsively.

Robins: Will this be important in your international strategy as

Tsuchiya: Most definitely. I think much of the work we've been doing in financial technology has provided an important way to demystify the vagaries of the Japanese market for international clients. And the adaptations we have made of models to the Japanese market should be invaluable for international and domestic investors alike.

But I'd like to think that when we talk about international strategy, we don't just reflexively assume that internationalisation means expanding our sales of Japanese stocks to international investors. What I envision for an international strategy is a genuine, literal global policy—the integration of all domestic and international business into one organic whole.



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Pakistan

by Moscow

PAKISTAN was yesterday for-mally accused by the Societ Union of a string of violations of

accused

South African white miners accept 12% rise

BY JIM JONES IN JOHANNESBURG

SOUTH AFRICA'S 26,000 white gold and coal miners have accepted 12 per cent across-the-board wage increases, a settlement which appears to recognise the men's steadily

diminishing bargaining power.

The Council of Mining Unions (CMU) entered annual talks with the Chamber of Mines demanding a 20 per cent increase to compen sate for several years of wage increases which have regularly been less than the inflation rate. Latest official figures show annual inflation running at 13.3 per cent

The white miners' bargaining power is likely to be further weakened when the Government promulgates legislation scrapping the legal colour bar which excludes blacks from supervisory

line jobs on the mines.

Acceptance of a sub-inflationary increase by white miners is unlikely to influence the all-black National Union of Mineworkers (NUM) which was involved late yesterday in a third round of

wage talks. Negotiations last week ended

Archbishop Desmond Tutu ran into a noisy demonstration at Durban Airport on Thursday by fellow blacks protesting about jobs being lost because

The protesters said they were taken to the airport in a bus laid on by a conservative former black township mayor. with the NUM calling for a 30 per cent across-the-board increase, a minimum monthly wage of Rand 350 (£87) and various other improvements to conditions of

employment. The Chamber's last offer wa forincreases ranging from 11.5 per cent to 13 per cent. NUM union negotiators are believed to be more concerned with winning their minimum wage demand than with securing specific per-

centage increases. The union says about 60 per cent of the mining industry's black employees earn less than Rand 350 a month, while it is unofficially estimated that the present minimum wage is in the

Reservists called up as Angola builds up forces

SOUTH AFRICA'S Defence Force and Government appear to be walking a fine line between playing down for home consumption the call up of army reservists, while signalling to Luanda that the country will resist any threat from the latest build-up of Cuban and Swapo troops in

southern Angola.
According to the army, about 11,000 Cuban and Swapo troops are spread out along a 450 km front inside Angola, in places as little as 12 km from the Namibian

Military and political analysts in Pretoria believe the military build-up represents a Cuban attempt to improve its side's bargaining position ahead of the next round of regional settlement

reservists available for service in Angola, they say, can be seen in the same light. Nevertheless, service in Angola is not popular with many reservists or national

In Pretoria yesterday the Defence Force played down the call-up, saying it was a precautionary move to ensure Citizen Force reservists, who have peri-odic military commitments for twelve years after their two-year full-time stint as national service. men, are prepared for service in

 South Africa will enter its third year under emergency rule at midnight on Saturday. In Cape Town yesterday President Botha told parliament the Government would officially renew the state ilks. of emergency in a government Pretoria's response of making gazette to be published today.

The mass demonstrations and violence of the early weeks of the uprising had tapered off, he observed. But the attitudes

revolt in half a century, Israeli troops

authority required extaordinary efforts. Conscious of the watching eyes of the world, and the maddeningly diffuse

BY ANDREW WHITLEY

army has been relatively sparing in the use of its firepower - unlike its handling

Even so, more than 210 Palestinians have been killed and thousands injured or crippled, including young children. According to a United Nations tally, at least six youths have been beaten to death by soldiers: the most recent case being that of a 19-year-old from Jabalaya camp who died in the emergency room of

Decapitating the movement was one

the isolation of the infection: putting ref-uges camps or even large cities such as Nablus under slege, sometimes for weeks

Add to this the near complete severing of links with the outside world and the financial tourniquet applied to the entire region, staunching the inflow of cash, and the extent of all-round pressure being brought to bear becomes evident. The confrontational spirit of the peo

ple is something remarkable, something I have never seen before," said Mr Ibrahim Dakkak, who heads a development research centre in east Jerusalem.
As striking as this new found bravado was the mature restraint shown in the slogans - the external expression of goals - employed Despite immense provocations, this elderly, left-wing intellectual argued, there had been none of the

anticipated calls to destroy Israel, or "throw the Jews into the sea". Almost unnoticed, the intifada has succeeded in fusing a radical restructuring of Palestinian society in the occupied terri-

archy have broken down, perhaps irreparably, to be replaced by ad hoc commit tees which cut across traditional lines. These run the gamut from women's sewing groups to the clandestine co-ordinators of the leaflets which set the tone for

the period ahead. For all the exertions of the Shin Bet security police, the instruction leaflets continue to be published and distributed at regular, usually weekly, intervals. And their orders are unquestioningly followed

by the population at large.

The question being asked in an increasingly insistent fashion – mostly by outsiders – is, naturally: where to now? Palestiman activists brush the interrogation aside with barely concealed irritation. No matter what form it might take, they say. whether it be civil disobedience or the waylaying of Jewish settlers, it will con-

The scales have fallen from their eyes, and those of their occupiers. And there is no going back to the days of innocence which prevailed before last December.

and elsewhere for an outright rejection of the Shultz plan. By refusing as expected in a

Israeli Prime Minister. Second

those most directly involved in the conflict want to keep the US

sending a powerful message to the Soviet Union.

All this does not mean that

Arab divisions over the underly-

ing issues - especially the nature

of a Palestinian state or Palestin-

ian representation in peace talks

- are anywhere near resolved.

Continuing tension was evident between Syria and the PLO dur-

The old familial ties of loyalty and hier

the Afghanistan peace agreement including large-scale shipment of arms to Afghan rebells, and allowing US and French instructors to cross its border to rain guerrillas to use advance missiles.

The latest charges were contained in a formal complaint by Mr Eduard Shevardnadas, the Soviet Foreign Minister, to Mr Javier Perez de Cuellar, the EM Secretary-General, responsible for overseeing the Geneva peace

The Soviet complaint insisted that both the Soviet Union and Afghanistan have "strictly ableed by their commitments" providing for the steady withdrawal of Soviet troops from the country.

"At the same time, unforts nately, there are ever more proofs that the Pakistani side has, from the very first day.... embarked on crude violation of its commitments," Mr Shevard-

nadze said. He said that "big consignments of weapons" had been carried from depots in Islamahad and Karachi to "Alghan opposition bases in Chitral, Laudikotal, Par-achinar, Terimangal and Cha-

member cabinet

PRESIDENT Gen Zia ul Haq yes terday announced an 18-member cabinet, half of whom were indi-isters in ex-Prime Minister Mohammad Khan Junejo's Calgnet. The Junejo Cabinet was dismissed on charges of corruption; and other failures on May 23. The National Assembly was also dismissed on similar grounds then. There will be no Prime Minister. as Gen Zia will take on that role. It amounts to tilting the sys-tem back towards a presidential form of government. This system when Mr Junelo was named the first civilian prime minister and But it may put the Arabs in a more credible position to press their case on international opin-

Uprising brings deep change to Palestinians

THE FIRE of the *intifada* (unrising) may have burned down, but the coals were still glowing hot under the surface, Mr Yitzhak Rabin, the Israeli Defence Minister told a parliamentary committee a few days ago.

of the insurgent population towards israel and the occupation had not changed to any significant extent.

Six months after a Ghaza traffic accident sparked the most serious Palestinian proof in half a computer tends transport

may be back in almost unchallenged con-trol of the roads and the villages of the occupied West Bank and Ghaza Strip. But the army has made little headway in per-suading its unwilling subjects to reas-sume the chafing yoke they shrugged off To get this far in restoring Israeli

nature of the grass roots protests, the

IN JERUSALEM

of earlier bouts of trouble.

an Israeli hospital on Tuesday.

The numbers in "administrative detention", swept up in nightly trawls of poten-

tial leaders, are climbing steadily towards 2,500. In addition, at least 3,000 others are in jail at any one time - awaiting trial, convicted of participating in disturbances by a military drumhead court or simply taken out of circulation for a while to cool their heels.

aggressively applied tactic. Another, less publicised but just as effective, has been

Arab ranks closed by revolt in Israel emerges loud and clear from this Maghreb. Mr Chadli, the leader of seemed destined at the cutset to week's emergency meeting of one of the traditionally "stead-be a forum for the Palestine Lib-Arab leaders in a hilltop hotel fastness states", has clearly been eration Organisation to pursue seemed destined at the outset to overlooking the bay of Algiers, it going out of his way to keep its maximum demands for supconcerns the central role which Morocco, a leading Arab moderthe Palestinian revolt in the late, on board, He has sought to rather more sophisticated.

Andrew Gowers writes from Algiers on the issue which has dominated the summit

But it was not Mr Arafat's show alone, nor has he been allowed anything like a free hand in his efforts to bolster the uprising. remarkably businesslike meeting, the Soviet Union. Following last with Algerian President Chadli month's Moscow summit, Mr Bendjedid using the chair to press vigorously for a strong consensus.

Nothing has been allested to make the property of the strong constant.

Other Arab leaders have refused to be intimidated by the extreme proposals advanced as part of the PLO's lobbying

campaign

Mr Arafat has certainly wasted no opportunity this week to press for an unequivocal reaffirmation of the PLO's status as "sole legiti-mate represenative" of the Pales-

But it was not Mr Arafat's show alone, nor has he been allowed anything like a free hand in his efforts to bolster the uprising. Other Arab leaders have

extreme proposals advanced as stream pressure for action in sup-part of the PLO's lobbying cam-paign. Instead, they have been to deflect demands from the PLO ssing a more complex and difficult question; how to build the uprising into concrete politi-

the uprising into concrete political gains.

Though their rhetoric differed markedly, states commonly classed as "radical" and "moderate" found a surprising amount of common ground. In his keynote address, Mr Chadii spoke of the need to "translate words into deeds" in using pressure from the spoilight back on the rejection-deeds in using pressure from the largest in the projection of Mr Yitzhak Shamir, the largest in the projection of Mr Yitzhak Shamir, the largest in the projection of Mr Yitzhak Shamir, the largest in the projection of Mr Yitzhak Shamir, the largest in the projection of Mr Yitzhak Shamir, the largest in the projection of Mr Yitzhak Shamir, the largest in the projection of Mr Yitzhak Shamir, the largest in the projection of Mr Yitzhak Shamir, the largest in the projection of Mr Yitzhak Shamir, the largest in the projection of Mr Yitzhak Shamir, the largest into the territory of a largest into the deeds" in using pressure from the uprising to push the idea of an authoratitive international peace conference on the Middle East. A remarkably similar analysis engaged beyond this year's presidential election, while increasing dan, who has been criticised by American discomfort over the Arab militants for displaying problems the Palestinian revolt is ambivalence about the uprising causing for Israel. Third they are

and for maintaining a dialogue with Mr George Shultz, the US Secretary of State, on the latest American peace plan. US policy, he said, was based on "crisis management" and US administrations only embarked on political initiatives. cal initiatives in response to regional upheavals "taking on the aspect of war". The Palestinian uprising was

seen in Washington as just such a phenomenon, so the Arabs should support it "in an organised and effective manner step up pressure on Israel and especially on its US ally to

ing the summit. Nor does it do anything to parrow the basic differences between Arabs and

is efforts to bolster the upris-Other Arab leaders have It was a clever speech, simultance being planed on the super-sed to be intimidated by the neously responding to main-Robert Thomson in Peking describes how direct-dial-democracy revealed a preoccupation

Perhaps the bravest lever

and now. he cannot bear to turna

knew...,

corner

Sti-toot-four Segment Tiny' G*C*C*, DCM, was participe the braylest man his Colonal everineur. But now, after seeing service in Aden, after being booby-trapped and archemhad in Northern Irwind, Segment Tiny' cannot beer to term to Services the service so the other side. It is the bravest wen and women from the Services that setter most from metall breakdown. For they have tried, each one of them, to give more, much more, than they could in the service of our Country.

We took after these braws then and women. We help them at home, and in Troughtal. We run our own Commission of Foreign and it from the run our own Commission of Foreign and it from the run our own Commission of Foreign and the run our own Commission of Foreign and the run our own Commission from where they can see cut their days in peace.

These men and women have given their minds to their Country, if we are to have them, we must have broke. Do please help as with a donation, and with a legacy too, partique. The debt is quest by all of ea.

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IPNA 3 N.V.

Israeli occupied West Bank and reign in Col Muammar Gadaffi Gaza Strip has assumed in the the Libyan leader, who has spent politics of the Arab world.

The result, after an initial tually against "lackeys of US

Arab ranks. This was revealed in between Jordan and Syria, as the the high turn-out of 17 heads of two remaining intact "front line"

seems, by the normally tortuous and often acrimonious standards mate in superpower relations and

of Arab debate, to have been a in particular the role played by

Nothing has been allowed to man, and Mr Yuli Vorontsov, a

distract attention from the main Soviet deputy Foreign Minister, issue. The Gulf War played second fiddle. Even the contentious summit.

issue of Egyptian attendance at This is significant because of future Arab summits was sensitive Soviet Union's current drive

bly shelved for discussion at an to reduce superpower tensions by

ordinary Arab summit planned working to resolve regional con-

for November in Riyadh.

There appear to be three reasons for the meeting's relatively stand would be of a piece with

The recent moves for recon- Israel, with the Soviet role in last

ciliation between North African year's reconciliation of warring states. The Algerians see the Palestinian factions in Algiers

presence of King Hassan of and with Mr Gorbachev's insis-Morocco in Algiers for the first tence on the need for the PLO to time since the 1970s as a big step recognise Israel's right to exist.

Intense co-ordination

states following Egypt's separate

flicts. Soviet influence in favour

Moscow's recent overtures to

period of uncertainty, appears to imperialism". have been a significant closing of Intense

It was also underlined by what peace with Israel

state this week.

Notice is hereby given that in accordance with article 8 of the Conditions of Administration, the Annual General Meeting of the holders of Depositary Receipts of IPNA 3 N.V. will be held on June 27th, 1988, at the office of the Stichting in Amsterdam, Herengracht 320 at 09.30 a.m. in order to review the annual accounts of IPNA 3 N.V. 1987.

According to article 9 of the Conditions of Administration holders of Depositary Receipts who want to attend the meeting have to deposit their certificates at the office of the undersigned, at Herengracht 320, Amsterdam, on June 24th 1988 at the latest or have to deposit on June 24th 1988 at the latest at the mentioned address a statement from a bank that those depositary receipts are in the custody of such bank and that it will keep those depositary receipts in its custody until the end of

Notice that the agenda of the meeting and the annual accounts 1987 have been deposited at the offices of the Stichting at the aforementioned address and a copy thereof will be sent upon request to any holder of Depositary Receipts.

STICHTING IPNA 3 TRUST SERVICES

IPNA 2 N.V.

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Notice that the agenda of the meeting and the annual accounts 1987 have been deposited at the offices of the Stichting at the aforementioned address and a copy thereof will be sent upon request to any holder of Depositary Receipts.

STICHTING INDOSUEZ TRUST SERVICES.

Last week, 400 residents rang

the 24-hour service, with most complaining about a new pricing policy which had prompted a iump in inflation Chen Xitong, the mayor, is cul-tivating a man-of-the-people image and so embraced the idea of direct-dial-democracy. How-ever, in a city of 10m people there

are only a few hundred thousand telephones, mostly in state offices or cadres' homes. Making a complaint is a problem.

"ARE MY ration coupons still useful?" a worried woman asked the hotline operator; an elderly man who had slipped through the state labour system desperately needed money.

Peking's hotline, a direct link from the masses to the mayor's office, had averaged 400 calls a month since opening last September.

"ARE MY ration coupons still calls were accusations of cadre sugar and egg prices increased by at least 30 per cent in state shops. Queues of residents wanting queue at least 30 per cent in state shops. Queues of residents wanting queue at least 30 per cent in state shops. Queues of residents wanting queue at least 30 per cent in state shops. Queues of residents wanting queue at least 30 per cent in state shops. Queues of residents wanting queue at least 30 per cent in state shops. Queues of residents wanting queue forming earlier, and there have help friends jump the long housing at least 30 per cent in state shops. Queues of residents wanting queues forming earlier, and there have help friends jump the long housing at least 30 per cent in state shops. Queues of residents wanting queues forming earlier, and there have help friends jump the long housing at least 30 per cent in state shops. Queues of residents wanting queues forming earlier, and there have help friends jump the long housing at least 30 per cent in state shops. A hotline operator, Li Xiaolia, quality produce are longer and there have help friends jump the long housing earlier, and there have had that the bulk of the calls the bank that the bulk of the calls the state shops.

A hotline operator, Li Xiaolia, quality produce are longer and there have had that the bulk of the calls the bank that the bulk of the calls the state shops.

A hotline operator, Li Xiaolia, quality produce are longer and there have had that the bulk of the calls the bank that the bulk of the calls t

those kinds of problems here".) The Communist Party is con-scious of its popularity, having approved the hotline and commissioned a spate of opinion polls, yet has been forced to introduce unpopular price reforms to keep the ambitious economic reform programme

State subsidies were removed on most foods last week, and residents have been given a monthly allowance as compensation, but the heat on the hotline is evidence of the disgruntlement.

ors public relations office and responsible for the botline, said that the three operators on duty attempt to console anxious callers with an explanation of Party policy: "When we receive a call about inflation, we tell them about reform. Most people understand. People accept reform but they want more control over the

About 3 per cent of complaints reach the deak of the mayor. He also receives a weekly break-down of the call statistics and select letters of complaint. Sometimes Zhao Hu or the operators Before the surge in inflation Pork prices rose by up to 50 per will act in the name of the mayor last week, about 10 per cent of cant last week, while vegetable, to inspire an otherwise listless

Inflation fears set Chinese hotline buzzing

prices will rise again."

The Chinese leader, Dang

Xiaoping, is apparently getting the message about inflation. A North Korean military delegation has just passed through Paking, and Deng used the opportunity to stress the importance of "objections according beauty to be according to the control of the control tive economic laws," though his listeners from one of the world's most isolated and unreformed economies may have wondered

Deng characterised the price reforms as bold but risky: most of the people understand that the leadership has to do this and that the old pricing system did not tally with the law of value.

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Restorers blamed for crumbling Sphinx

EGYPTIAN and foreign experts problems, some stemming from approved new emergency steps to repair the crumbling Sphinx, which has stood guard over the Giza pyramids on Cairo's out.

Begin problems, some stemming from and mortar, and decided instead on an ancient method of interproblems on an ancient method of interproblems of the career of Egypt's chief antiquous form his structure, Mr Hawass said, adding that a structure, Mr Hawass said.

Water in cement used by previous restoration of moisture and sait of the career of Egypt's chief antiquous form his structure, Mr Hawass said.

Water in cement used by previous restoration to immediate reports from Giza.

The main move will be to lot," he said. "If you look at all stone, scient replace on July 9 a 300kg boulder the restoration that was done the believe that fell from the Sphinx's right from 1381 until 1387, it was done

The 75 m shoulder in February, an international committee of specialists

After the committee meeting, Mr Zahi Hawass, an Egyptian archeologist, said that a study of the monument with a lon's body and a man's face revealed serious the use of iron reinforcing bars

decided

OBITUARY

P.C. Mahanti: FT's Calcutta correspondent

Times's correspondent in Cal-cutta, died on Monday after a zines covering the coal and rub-prolonged period of ill health. He ber industries. He was also a con-

He worked for the Financial Times for 18 years, specialising in later years on reporting India's jute, tea and coal industries and the affairs of leading companies in his home city of Calcutta.

on India's steel industry and owned and edited the monthly Iron and Steel Review. He was trial and commodity sectors was state of West Bengal.

Mr P.C. Mahanti, the Financial considerable and he was formerly

tributor to range of other Indian

newspapers and magazines.

He was an assiduous reporter. with many friends across the spectrum of Calcutta life. He is remembered gratefully by many Financial Times journalists who, Mr Mahanti was also an expert and sought his patient guidance. His charming hospitality was a delight and even in poor health he was unfailingly willing to chief of the news bureau of Com- share his knowledge about his merce magazine. His expertise on city, its industries and its politibe development of India's indus-

pyramids on Cairo's outfor 4,600 years, Reuter
s from Giza.

"The Sphinx has suffered a some splitting in the adjacent
strong Interpretation that was done to the restoration that was done to be some splitting in the adjacent
the restoration that was done to be bloom to be commit-

In addition to immediate repairs, a comprehensive study of the monument has been started A sewage system will be profrom 1981 until 1987, it was done awfully."

A reinforcing wall built previously would be removed and replaced by one of smaller limestone bricks, the committee the believe.

The 75 metre Sphinx, hewn from solid rock around 2500 BC, lost its nose long ago and its body is badly cracked and pockmarked. The latest stone to fall pollution.

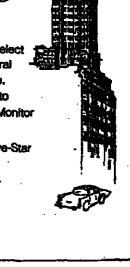
A sewage system will be provided for nearby villages to stem the tide of underground waster in the area. Mr Hawass body is badly cracked and pockmarked. The latest stone to fall pollution.

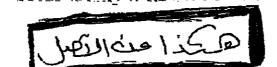
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WE'LL NEVER CEASE TO AMAZE YOU.

Rolls-Royce plans £300m upgrade of RB-211 engine

engine, the model L for airliners

These are the twin-engined, short-to-medium-range Airbus already offer versions of their A-330, bigger or longer-range ver-sions of the twin-engined 767-300, planned by Boeing, and the long-range McDonnell Douglas three-engined MD-11.

Rolls Royce is discussing the new engine with all three aircraft manufacturers, and with a num-ber of airlines, including British Airways, that have big orders in mind over the next year or so.

The engine will have a thrust rating initially of 65,000 lb, but will eventually be capable of expansion up to 70,000 lb and might go to 75,000 lb.

That compares with the 66,600

That compares with the 60,600 ib thrust of the most powerful RB-211-524 until now, the model for the fleet of 11 long-range Boeing 767-300s on order for Brit-

boost the RB-211-524 to match the US, where congestion at air- the US Marine Corps.

ROLLS-ROYCE is to spend more competition in high-thrust ports and in the air is becoming than £300m on a more powerful engines from its US rivals, Genserious and seems likely to version of its RB-211-524 jet eral Electric with the CF6-80C2 worsen, there is growing demand and Pratt & Whitney with its Both those manufacturers per flight.

> engines at more than 60,000 lb thrust, and have openly talked about going further.

Whitney can offer, and with greater potential for further Massive engines are now

needed because airliners are Jaguar aircraft. The work will be becoming bigger and heavier, done at East Kilbride Air Motive, requiring more power to get the Rolls-Royce repair base in them off the ground in all kinds scotland.

Many airlines now use twin-engined aircraft for long-range routes, especially over the Atlantic and Pacific oceans, where traffic loads do not justify the use of bigger aircraft with more

worsen, there is growing demand for bigger, twin-engined aircraft that can carry more passengers

Consequently, the Airbus A-330 high-density airliner is designed to carry almost 350 passengers up to 5,000 nautical miles, while Rolls-Royce aims to leapfrog those programmes by developing an engine of higher power initially than either GE or Pratt & Rolls-Royce yesterday distinct the state of the stat

closed that it had won a £10m contract from the Ministry of Defence to repair Adour jet engines for the RAF's Hawk and

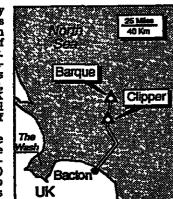
current most powerful version's Rolls-Royce has recognised for Also, on shorter routes, espe 21,500 lb, and will enter service in some time that it would have to cially in western Europe and in 1990 with the launch customer,

Go-ahead for £420m gas project

SHELL AND Esso yesterday announced plans for a £420m gas field development in the southern North Sea. The Department of Energy has approved the project. Work is to proceed immediately on building three platforms for the Barque and Clipper fields, in the Sole Pit area. Shell UK Exploration and Production will operate the field on behalf of Shell and Esso.

The project involves one of the single largest contracts in the history of North Sea develop-ments, a nearly \$100m (£55.24m) turnkey contract awarded to Brown & Root-Wimpey Highlands Fabricators, in a joint venture with Brown & Root-Vickers and SLP Engineering. The project will be seen through from detailed engineering and procurenent to fabrication, installation and commissioning.
This is only the second time

that development work in the North Sea has been awarded on a turnkey basis: that is, when a single contractor takes overall



Mr Andy Pile, project manager at Shell, said Shell would save at Shell, said Shell would save Esso Bacton gas terminal in Norbetween nine months and a year folk. First production is expected by awarding the contract on that in October 1990, with field life basis. Shell was able to use the running to 20 years. long gas negotiation period with British Gas, amounting to 18 months, to draw up its own speci-

before Brown & Root Vickers completes detailed engineering. Fabrication of the jackets and decks for the platforms, at a cost of £35m, is to take place at Highlands Fabricators' yard at Nigg, Scotland, providing 600 jobs at peak SLP Engineering of Lowes-toft will design, fabricate and procure materials for living quarters on the Clipper platform, providing 200 jobs over two years. Brown & Root Vickers, based in Wimbledon, is responsible for ineering and procurement.

The Barque and Clipper fields, which contain a total of about 900bn cu ft of recoverable gas, are in 72 ft of water, 46 miles north-north-east of the Shell and

Five other gas structures con-taining an additional 21 trillion (million million) cu ft of gas have fications for the project.

The main element of time savings is that fabrication can begin several months after the per.

been located in the area and could potentially be linked to the main production facilities at Clipper.

Appeals expected over GCSEs

THE EXAMINING boards are bracing themselves for an surge in appeals by schools and parents after publication in August of the first results of the 16-plus General Certificate of Secondary Edu-

About 8 to 10 per cent of candidates who took last year's O-level and CSE exams appealed against the results. The Joint Council for the GCSE, representing all the examining boards, said yesterday it expected an increase on that level. That implies that more than 60,000 candidates might

appeal.

Mr Dennis Hatfield, chairman of the GCSE joint council, said more appeals were likely because the exam was so new it would make people anxious. In any case there had been a tendency for more appeals in recent years.

examination papers. However, have probably entered the GCSE they plan to review the GCSE once this year's examination is examining hoards were under over. They accept that the work-load has been too heavy in some

The examining boards have

established a new two-tier appeals procedure. Appeals will go first to the examining board

the same number as for last of public interest.

The examining boards denied year's O level and CSE, but the that there had been an unaccept-number of 16-year-olds has fallen, able level of errors in GCSE implying that more candidates

> examining boards were under pressure to make the results of this year's examination as similar as possible to last year's O and CSE results, to avoid accusa-tions that GCSE was either too easy or too difficult.

and then to the joint council.

A school or parent will have to lodge \$100 for an appeal to the joint council. The money will be returned if the appeal succeeds.

Examining boards will set their own appeal fees.

Dunils have been entered for The council has so far issued at the souncil has so far issued at the solution. Pupils have been entered for The council has so far issued a about 5.3m GCSE subjects in shortened version of the report, England and Wales. That is about but Mr Baker said it raised issues

Universities may face 'efficiency' test

BY DAVID THOMAS, EDUCATION CORRESPONDENT

likely to take into account the relative efficiency of universities new Universities Funding Counwhen distributing funds under its cil. Ministers have said they want. new arrangements for funding

Mr Robert Jackson, Minister for Higher Education, yesterday strongly hinted that he expected universities to increase their student/staff ratios, as with the

Mr Jackson, who was speaking to a conference on higher education in London organised by management consultants Touche Ross, said that under the present funding arrangements "the Government faces a very highly arrangement of the conference on higher education in London organised by management consultants Touche in the ratios between staff and a students over the last five years, guild that universities had stood in still.

ties on the other.

Mr Jackson said he wanted to Mr Jackson said he wanted to create competition between the universities in a way that would that the quality of higher education was straighforwardly determined by the level of resources. He pointed out that Britain bigher proportion of

council and individual universi-

THE GOVERNMENT appears organised cartel of suppliers". He also said the universities likely to take into account the The Government is creating a could do much more to attract private funds, suggesting that the squeeze on universities' public a contractual arrangement funds had not come to an end. between the Government and the council, on the one hand, and the likely to fuel fears in the universities that the Government sees value for money simply in terms

spent a higher proportion of gross domestic product than most western European nations on higher education,

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Birmingham B15 1PG **FINANCIAL TIMES**

Currie puts aduki bean soup on the

'IF YOU can satisfy squaddles, you can satisfy anybody, according to Mrs Edwina Cur-rie, junior health minister. The way to do it, according to Mrs Currie, is to feed them ion cake, aduki bean soup

passion cake, aduki bean s and aubergine bake. British soldiers were an the grinea pigs for a file of 251 recipes, launched by Mrs Currie yesterday for use in establishments such as hospitals, schools and residential homes.

Mrs Currie, hovering over a passion cake elegantly prepared by private caterers, said the squaddies thought the recipes were "smashing" and had no idea they were eating a low-fat version of their favour-

Not that Mrs Currie, then eyeing a piece of sticky prune cake (175kcal of energy, 3.8g of fat and 3.2g of fibre per por-tion) wanted to launch a

national diet. Rather, she said, the recipe prepared by a Department of Health and Social Security working party and available at Her Majesty's Stationery Offices, would provide practi-cal help to caterers wanting to offer healthy, attractive and tasty dishes. Mrs Currie, who has criti

ised the "fish and chips" of northerners, was asked if the new recipes should be used particularly in the north. She said: "This entire nation has levels of heart disease that are among the highest in the world. We have nothing to be proud of about our national diet."

Asked what was different in the new recipe book from its predecessor, she said the reci-pes contained much more fibre, the fats used were unsaturated and if flour was used it was often a mixture of white and wholemeal.

"Good food does not need to be expensive," said the junior health minister, delicately peeling a grape. Asked whether or not people should not be free to eat themselves into an early grave if they wanted to, she got down to the

wanted to sale got town to the nitty gritty.

Illnesses attributed to poor lifestyles, she said, cost the National Health Service a lot of money. In addition, people when they keeled over said they wished they had been

It is not just the recipes that have been designed to promote a healthler and longer life. A senior member of the working party confided that the reason the recipes were contained on laminated cards was that two well thumbed hospital recipe books had been condemned by environmental health inspectors as health hazards in them-

SIB chief Croft reappointed for three years

By Richard Waters

MR ROY CROFT, chief executive of the Securities and Investments Board, the chief regulator under the Financial Services Act, has kept his post after the dismissal of his former chairman, Sir Kenneth Berrill, Mr Croft was yesterday reappointed for a further three

In contrast, Sir Kenneth was replaced at the start of this month by Mr David Walker, a former executive director of the Bank of England. Sir Kenneth's departure followed a wave of antagonism from practitioners objecting to the way he implemented the act. It was also announced yesterday that hoard membership had been cut by three, to 15, with three members' retire-ment. That was because the board had moved from policy

to operational mode and would operate better with fewer nembers, it said.

A fourth member will retire at the end of next month. It has not been announced if this vacancy will be filled. Terry Dodsworth on the break-up of the Thorn Ericsson joint venture

Telecoms partners grow apart

its joint venture with Ericsson in telecommunications equipment manufacturing is the result of health menu sharp changes in the direction of both companies over the last few

> For Thorn, the reorientation has led to a steady disposal programme since 1985, when the group ran into financial trouble after a period of expansion. Since then, it has sold its cinema business, abandoned its ambitions to ness, anandoned its aminuous to become a leading player in the video field, disposed of its domes-tic appliance activities, and pul-led out of television and video cassette recorder manufacturing. Its 51 per cent stake in Thorn Ericsson was an obvious contender for divestment as well. Under its present management team, the company has put heavy emphasis on activities that are arready established overseas, or that have the potential to be developed into international businesses.
>
> arready established overseas, or the European market.
>
> That policy has led to a high developed into international businesses, of which 70 per cent now

was set up specifically to serve five years ago.
Last year. it is

At the same time, Thorn had no real control over the destiny of the joint venture, first established in 1973. In spite of its 51 per cent shareholding, the UK company was in a commercial se the junior partner, since the technology in the business came from Ericsson, one of the world's leading telecommunications groups.
Ericsson similarly has shown signs of dissatisfaction with a joint venture that has outlived its

usefulness. The Swedish com-pany has itself been rationalising and reorganising over the last few years, selling off activities regarded as marginal to its main interests in telecommunications, and concentrating more closely

Last year, it pulled off a significant coup when it gained entry to the French public telephone exchange market. The takeover of the whole of Thorn Ericsson to be paying for sales of about 2130m a year.

Thorn Evicence which has the paying for sales of about 2130m a year. gives it sole responsibility as the second supplier in the UK in competition with the GPT consorcompetition with the GPT consortium of Plessey and the General Electric Company. It will also give the group greater flexibility in moulding the future of the British business.

The deal flustrates the steady consider of the UK telepopulation.

opening of the UK telecommun cations market to foreign suppli-ers. When Thorn Ericsson won its bid to become a supplier of digital exchanges to British Tele-com three years ago, the name of Thorn was an important compo-nent in gaining the upper hand over other foreign competitors. Today, the British market is known as one of the least pro-

Thorn Ericsson satisfied neigo into western European countries of those criteria, because it tries, compared with 50 per centric. It will pay for Thorn's much it will pay for Thorn's tries, compared with 50 per centric. stake. However, analysts believe

> about £130m a year.
> Thorn Ericsson, which has 1,800 employees, is set for steady growth in sales, underplaned by its supplier arrangements with BT, but helped by sales of private

It recently spent flim on expansion of its site at Scunthore in Humberside to build up capacity to supply up to about 750,000 telephone lines a year about a third of BTs require-

After taking in some hefty orders last year, it is now working at that level, and expects to make a small profit for its finan-cial year to March. Mr Doncan MacDougall, managing director, says next year it will be in healthy profit.

Accountant

advice row

THE SMOULDERING dispute

over accountants' involvement in corporate finance advisory work

was stoked into life yesterday on

publication of a survey.

The survey showed that 98 per cent of Unlisted Securities Market companies believe accountants should advise on mergers

The survey was of 80 USM com-penies and commissioned by Coo-

pers & Lybrand, the accountancy

It follows a statement by Peat

Marwick McLintock, the largest

UK accountancy firm, that giving

corporate finance advice might damage accountants' indepen-dence and objectivity.

Competitors have attacked

Peat for trying to take the moral high ground on the issue. Peat has also been sucused of having

In a further development, a

finance director has been referred to the disciplinary authorities of the Institute of Chartered Accountants in England and Wales for his part in

a takeover bid. Accountants in commerce and

industry are subject to the same ethical standards as accountants in practice. That means that in hostile bids they have the same

duties of objectivity and indepen-dence as have practising accoun-

The complaint is against Mr

Jeff Harris, finance director of UniChem, a pharmaceutical wholesaler. If upheld, if would in

effect prevent all finance direc-

tors who are also chartered

accountants from becoming involved in bids launched by or

against their commanies.

The ICAEW, seeking to avert controversy, is trying to rush through a review of the effect on

accountants' independence of "corporate advice situations,

and acquisitions.

double standards.

flares up

BP chief confirmed as chairman of smaller power company

THE GOVERNMENT has confirmed that Mr Robert Malpas, a managing director of British Petroleum, is to occupy a leading position in the UK electricity ndustry after its privatisation. He has been picked as chairman-designate of one of the two generating companies to be carved from the Central Electricity Generating Board as part of the move to inject competition

into electricity production. Mr Malpas, 60, who is also chairman of the highly profitable BP Chemicals, will assume the new position in mid 1989 when he is due to retire from BP. Mean-while, he will be closely involved in consultations on how the power stations are to be shared

Mr Cecil Parkinson, Energy Secretary, yesterday described him as "an engineer with an outstanding record in the manage-ment of large, capital-intensive director, and Mr Ed Wallis, CEGB head Big G.

As chairman-designate of the so-called "Little G", Mr Malpas will inherit 30 per cent of the CEGB's total generating capacity. G respectively. But with "Big G" also comprising all the CEGB's nuclear plant, the

As expected, Lord Marshall chairman of the CEGB, was named chairman-designate of Big

senior appointments for the privatised electricity industry announced in a written parliamentary answer by Mr Peter Morrison, Energy Minister of

All the other nominees are senior or long-serving employees of the industry. Mr John Baker,

operations director, are to be chief executives of Big and Little

Mr David Jefferies, deputy chairman of the Electricity Council, will be chairman of the company that will take over the runtwo rival generating companies will be quite well matched in ning of the transmission system from the CEGB. His chief executerms of coal and oil-fired stative will be Mr Bill Kerss, deputy chairman of the South Wales Electricity Board.

The Government is refusing to disclose the salaries which they can expect to earn once their companies come into existence At BP, Mr Malpas is believed to earn between £220,000 and £250,000 a year, compared with Lord Marshall's 1966-87 salary at

the CEGB of £76,548. Mr Malpas, who is abroad, was not available to comment on his

Regulation of utilities 'difficult'

BY MAX WILKINSON, RESOURCES EDITOR

REGULATING the big privatised

simplicity of the Government's formula for limiting price increases is "largely illusory."
They believe that in the long run regulatory bodies will be obliged to conduct much the

same kind of detailed appraisal of the industry under their control as happens in the US. When British Telecom was privatised in 1984 the Government established the RPI minus X fornula to limit future price increases, with X given the value Review of Economic Policy, Dr personal price: £3, institutional: of 3. That means British Tele-Helm and Prof Yarrow say it is

THE HEAD of Smith & Nephew

Textiles, part of the medical and health care products group, has

resigned after only a year in the

Mr Chris Davies left the group this week. Mr Eric Kinder, chief

executive, declined to comment on the reason for his resignation,

but described his departure as "amicable." Smith & Nephew has not yet appointed a successor.

com's maximum price rises must wrong to believe the British systhe state of the s

> plexities of US regulation. In the will have to be reset periodically, US, prices are set to provide utilities with a guaranteed rate of return on capital. That requires regulators to make a detailed appraisal of "reasonable" costs and of "prudent" investments.
>
> The resulting arguments often lead to protracted court hearings. Many thousands of lawyers make their living out of such cases.

In the latest issue of the Oxford

embraces seven factories in Lan-cashire, with a workforce of 2,000

people. The plants produce spe-cialist textiles, generally for use in the group's medical and health

care products. The only non-spe-

cialist plant is a denim factory. The specialist plants are pres

Plessey Radar wins 'star wars' contract

ently performing well, but the Kinder said the denim factory has bad difficulties. Its export activities have suf-

The aim is to avoid the com- tor in the RPI minus X formula

That must be done in relation to Regulators will also need to take account of the quality of ser-vice provided, in case utilities

provide lower service for the same price, the paper says.
Oxford Review of Economic Policy Vol 4 No 2 Summer 1988, Regulation and Utilities. Oxford University Press. Single issue

affected by an influx of imports.

Last week Smith & Nephew

Textiles resolved an industrial

Association and offering a sena-rate deal to its employees. Mr

Kinder said that Mr Davies

departure was not associated

with particular reference to takeovers." The review is due to be completed by the start of Novem-Smith & Nephew Textiles head resigns

ber.
The Coopers survey shows two thirds of USM companies believe accountants should be allowed to attack publicly companies in hos-Smith & Nephew Textiles fered from the strength of the embraces seven factories in Lanpound and home sales have been

This has become a big source of business for accountants, and also the focus of much of the criticism. Mr Citve Williams, dispute by breaking ranks with the British Textile Employers head of corporate finance at Coopers, says his firm has been involved in two thirds of all hos-tile bids launched in the past 15

He said: "A lot of the work is for merchant banks, preparing critical analyses of accounts and other published financial infor-

mation."
However, this type of work has exposed firms to public attack. The ICAEW criticised Coopers for its role in attacking BTR in that PLESSEY RADAR, the Isle of Wight subsidiary of the Plessey awarded to Plessey companies comiract on a visit to the Isle of since the programme was wight. He said the 64 UK SDI contract for the US strategic Defence Initiative star binary of \$64 the total number of \$65 th

 $\widetilde{\mathcal{F}}(A,\underline{f})$

year it won an appeal against the decision.

A complaint has also been made against Price Waterhouse over a report it prepared for McCarthy, a company it does not audit, in its contested bid for

In retaliation, the McCarthy camp complained against Mr Harris, the UniChem finance director, and Spicer and Oppenheim, Unlchem's auditors.
Yesterday an accountant on the McCarthy side said: "A finance director ought not to say that two and two equals five, if all the professional rules he has

learned say that they equal four." Mr Harris said: "As a chartered accountant in industry, you have to pin your colours to the mast in these situations. I'm entirely relaxed that I was within the professional rules."

Coal row continues

BRITISH Coel made clear yester-

day that there were still significant differences between it and the South of Scotland Electricity Board in their negotiations on the price and size of future coal supplies to the power utility.

The SSEB is trying to secure cheaper supplies from British Coal and in the meantime is

importing some foreign coal.

Business Expansion Scheme 'has failed'

survey on:

Scheme, launched by the Govern-ment in 1983, has largely failed in its main purpose of providing For a full editorial synopsis and advertisement details, please contact:

Anthony G Hayes on 021-454-0922

venture capital, the take-up rate has been low compared with squeezed out. Companies seeking other government schemes, such less than £100,000 have fared betas the loan guarantee scheme, intended to help the small businake direct investments.

BES provides tax breaks for assist high-risk businesses have THE BUSINESS Expansion people investing over five years in qualifying small companies. There are three main methods: capital for small companies, through prospectus issues, which according to a report published have been typically used to raise yesterday. The scheme has not amounts of more than £500,000 helped significant numbers of for individual companies; high-risk businesses and only a through funds which spread their small proportion of investments investments over several companies. has gone to manufacturing com- nies; and through direct invest-

wars" programme yesterday.

The contract calls for Pless

Radar to carry out research into

a suitable radar frequency for use

panies, says the report, published by the Small Business Trust.

It says that although the smount of finance raised by community follows the fill of th panies through the BES - \$A10m has largely failed to fill. The popin the three years 1983-84 to the three years 1983-84 to the sum of the three years 1985-86 - has been similar to the meant that companies seeking sums raised in other forms of smaller amounts of money through BES funds have been

funds raised going to service sec-tor businesses, often asset-related and predominantly in the wholesale, retail, property and leisure The proportion of total finance invested in manufacturing has declined from about a third in 1983-84 to less than a quarter in

BES funds to be made more attractive relative to prospectus issues: for the establishment of financial "marriage bureaux" to encourage more direct invest-

SDI contracts awarded to UK

The other countries that had
companies, out of the total of 142
SDI contracts awarded outside side the US were West Germany.

the US. Israel, Italy, France, Canada, Bel-Li-Gen Abrahamson, the direcgium and the Netherlands.

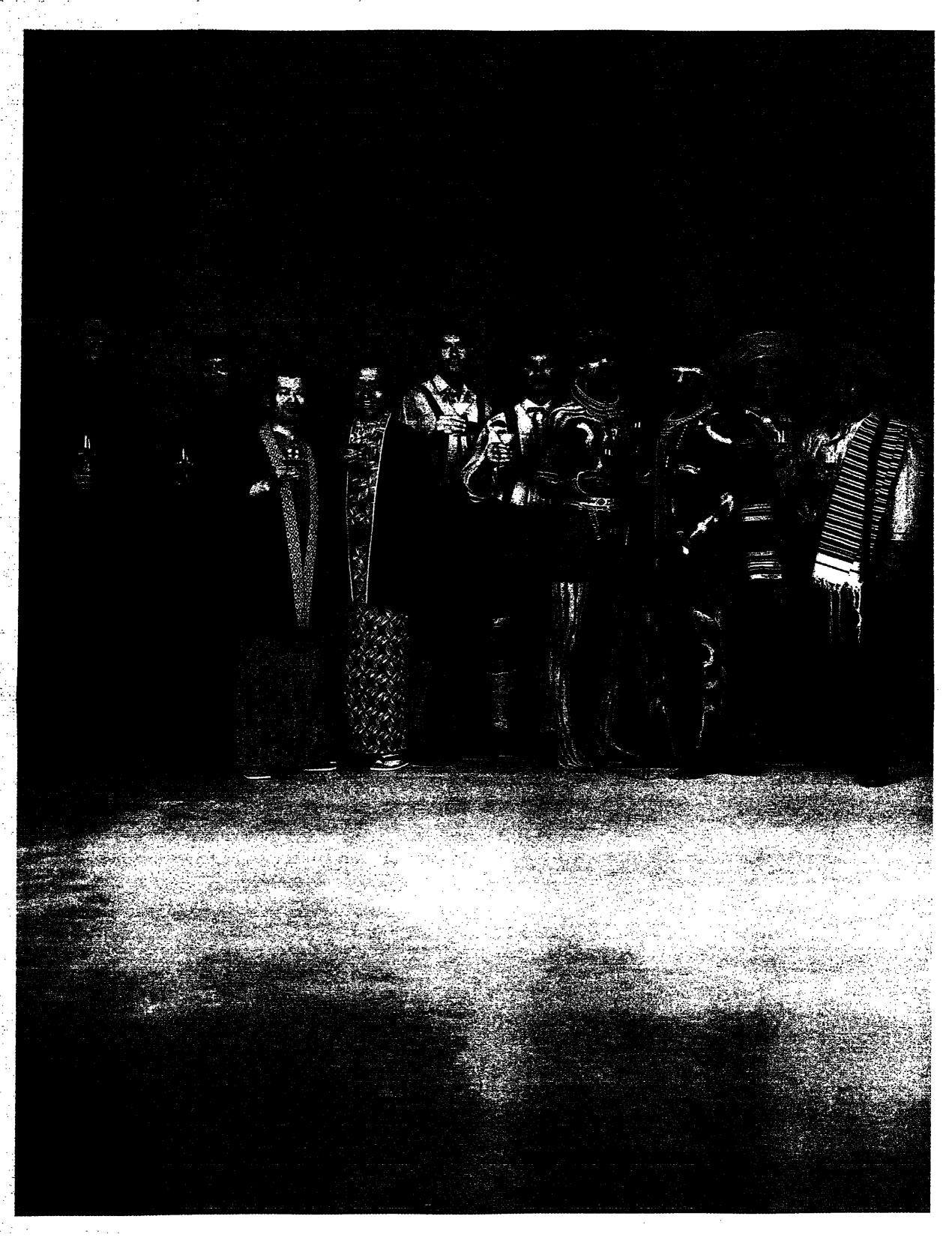
The report's authors call for

company can take up but urge that the £500,000 limit set by the budget should be raised to not been met with most of the £750,000-£1m to reduce the relative cost of raising funds. They propose that certain asset-base businesses should be excluded from the BES and suggest the establishment of more local and regional BES funds.

Mr Chris Smith, Labour Treesury spokesman, said the report demonstrated that the scheme was an inefficient way of raising capital for business, but a very efficient way of organising tax shelters for the wealthy.

ment by individuals; and for tax reliefs to be extended to people who become directors of BES-funded companies.

They approve the move in the last budget to put a limit on the amount of BES funding that any



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..

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This is a ring-binder containing information and advice on the communications options we believe would be most likely to save you time.

If at that moment, or indeed anytime in the future, you'd like to discuss specific items with one of our people, you only have to call and say so.

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Rolls-Royce to upgrade RB-211

Shell and Esso plan

North Sea gas field

SHELL AND Esso yesterday North Sea has been awarded on a announced plans for a \$420m gas turnkey basis: that is, when a

field development in the southern single contractor takes overall

North Sea following approval of the project by the Department of Energy.

Work is to proceed immediately for a complete contract. Mr Andy Pile, project manager at Shell, said Shell would save between nine months and a

ROLLS-ROYCE is to spend more than £300m on a more powerful lbs thrust of the hitherto most greater version of its RB-211-524 jet engine, the model L, for new twin-engined and three-engined airliners under development. long-range Boeing 767-300s on becoming the first patterns of the hitherto most greater growth. Such that the first patterns of the hitherto most greater growth. Such that the first patterns of the hitherto most greater growth. Such that the first patterns of the hitherto most greater growth. These are the twin-engined

short-to-medium range Airbus A-330, bigger or longer-range versions of the twin-engined 767-300, now planned by Boeing, and the long-range McDonnell Douglas three-engined MD-11.

Rolls-Royce is discussing the new engine with all three aircraft manufacturers, and with a num-ber of airlines, including British Airways, which have big orders in mind over the next year or so.

The new engine will at first have a thrust rating of 65,000 lbs, but will eventually be capable of further expansion up to 70,000 lbs, and could go even further if needed to 75,000 lbs.

BY STEVEN BUTLER

nounced plans for a £420m gas

ately on construction of three platforms for the Barque and Clipper fields, in the Sole Pit

area. Shell UK Exploration and Production will operate the field on behalf of Shell and Esso.

The project involves one of the

single largest contracts in the history of North Sea develop-

& Root-Vickers and SLP Engi-

order for British Airways.

Rolls-Royce has recognised for some time that it would eventu-ally have to boost the RB-211-524 further, to meet the competition for high-thrust engines emerging from its US rivals, General Elec-tric with the CF6-8OC2 and Pratt & Whitney with its PW-4000

Both those manufacturers are already offering versions of those engines at over 60,000 lbs thrust, and have openly talked about

Rolls-Royce is aiming to leap-frog those programmes, by devel-oping from an engine of higher power than either GE or Pratt &

year by awarding the contract on this basis.

The Barque and Clipper fields, which contain a total of about 900bn cu ft of recoverable gas,

are in 72ft of water, 46 miles north north east of the Shell and

Esso Bacton gas terminal in Nor-

folk. Production is expected to

This compares with the 60,600 Whitney can offer, and with aircraft, which can carry close to greater potential for further 350 passengers up to 5,000 nauti

> Such massive engines are now needed because airliners are becoming bigger and heavier. Many airlines are now using twin-engined aircraft for long-range routes, especially over the Atlantic and Pacific oceans, where the traffic loads do not jus tify the use of higger Boeing 747 four-engined equipment.

Also, on shorter routes, notably in Western Europe and the US, where congestion at airports and in the air traffic control sys-

The Airbus A-330 high-density Corps.

cal miles, is designed specifically for these roles, while Boeing has plans for even bigger versions of its 767 for similar duties.

• Rolls-Royce yesterday revealed it had won a £10m contract from the Ministry of Defence to repair Adour jet engines for the RAF's Hawk and Jaguar aircraft. The work will be done at East Kilbride Air Motive, the Rolls-Royce repair base in

The company also revealed it had developed a new more powerand in the air traffic control system is already serious and seems likely to worsen, there is growing demand for bigger, twin-engined equipment which can carry more passengers per flight, rather than ful version's 21,500 lbs, and will enter service in 1990 with the largest enstoner, the US Marine ful version of the Pegasus jet

Union leader pressed to quit over reports

THE National Communications vote, APEX said that debating Union was last night plunged the motion would be unlawful into a leadership crisis after Mr Golding's problems stem in members voted to ask Mr John part from his politics. His moder-

Mr Golding last night refused to reveal his intentions but said it was extremely unlikely that he would quit. A protracted battle over his future is in prospect.

The union's executive, which backed the motion seeking Mr Golding's removal, is taking legal advice over its options.

Any move to sack him would be strongly resisted by APEX, the executive and computer workers union of which Mr Golding is a

to respond to fluctuations in world markets.

of your investment. It's up to you.

four continents, and even in minerals.

ment, a turnkey contract worth

£55.24m awarded to Brown & projected field life of 20 years.

Root-Wimpey Highlands Fabrications, in joint venture with Brown & Root-Vickers and SLP Engi
(million million) cu ft of gas have been located in the area and This is only the second time could potentially be linked to the that development work in the main facilities at Clipper. In a letter to the NCU before yesterday's national conference

International Funds.

Golding to resign as general sec-retary over allegations about his who have recently increased personal life. at views are disliked by the left, who have recently increased their strength on the executive. Last year he only narrowly sur-vived a motion calling for his resignation over his handling of the 1987 British Telecom strike.

Mr Golding's opponents vester day kept their criticism to his handling of reports in the News of the World sunday newspaper earlier this year about an alleged liaison with a prostitute.

Mr Eric Johnstone, a delegate from Ballymena who proposed the motion, said Mr Golding's failure to deny the allegations meant he had lost credibility as a negotiator and brought the name of the NCU into disrepute.

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British Coal pollution research plant may

be closed

BRITISH COAL'S £38m experimental plant to develop new technologies for clean coal-fired power stations will have to close down later this year, unless a new source of funds is found very

The financial crisis at the pres surised fluidised bed combustion plant at Grimethorpe in South Yorkshire follows a decision by the Central Electricity General ing Board not to renew its three year agreement with British Coal to share the costs of research

The plant was set up jointly by the UK, the US and West Ger-many in the early 1970s.

Mr Stephen Dawes, director of Grimethorpe, said that the latest technology developed there, known as a "topping cycle" promised to be the best solution to the problem of burning coal efficiently in a power station without emitting the pollutants which cause acid rain.

Britain has faced stern criticism from its European neighbours for its attitude towards measures designed to limit the pollutants causing acid rain. British Coal estimates that Grimethorpe will need a further £38m over the next three years and says it cannot afford to pay

more than half of that itself.

British Coal officials are now lobbying the UK Department of Energy to provide most of the remaining funds, perhaps with a contribution from the European Community or the US Depart-

ment of Energy.

The CEGB said it was not prepared to put any more money into Grimethorpe, because the process would only work well in small stations and the board

wished to build only big plants. Because that's one of the fundamental advantages of Barclays

total costs have fallen from corporation's drive towards more around 31 per cent at the turn of value added products such as around 31 per cent at the turn of value added products such as the decade to between 21 and 22 specially coated steels where per cent how. Average man hours margins can be many times needed to make a tonne of steel greater than on basic steel prod-have plummeted from 14.5 in ucts. 980-81 to around six.

The gap has narrowed but not performance to several factors: ducer to cope with this.

Nick Garnett analyses the UK steel industry's productivity record

British Steel bends itself into shape for sell-off

"YOU'VE GOT to be able to fire a goddam shotgun down the shop-floor and not hit anyone."

This was the description, coined some years ago by Sir Ian Macgregor, the former chairman of the British Steel Corporation. about the kind of low-manned plant required by a modern steel

After spending £985m in capital investment in the past five years, it is a mark of the times that BSC, which is heading for privatisation towards the end of the year, has some plants now where you could let fly with buckshot and fail to hit a target.

At Port Talbot in South Wales, the corporation's most efficient strip mill, the actual steelmaking section of the plant requires just 75 men per day spread across three shifts to produce 45,000 tonnes of liquid steel a week.

The dramatic improvements in productivity at BSC, involving a labour reduction from 140,000 in sure of more than a hundred pieces of production kit, have the financial fortunes of the corporation.

Next month, Sir Robert Schomonths. This compares with an accumulated loss of £7bn in seven of the 10 years before BSC emerged into profit in 1985.

tions and the public.

As it heads for privatisation towards the end of the year, man-agers at BSC will be fielding questions on several fronts. How contributed to its vastly improved performance still play in its favour?

Labour costs as a proportion of

Productivity changes

manhours / tonne) 1980/81 82/83 84/85 86/87 closed on the Far East. Japan's steel industry is on course to reduce its labour costs to around 16 per cent of total costs and has some plants operating at around 25 to 3 man hours per tonne. Labour costs in South Korea,

with low-manned and low-paying plants, are around 10 per cent. Companies such as Nippon Steel and Kawasaki in Japan have technological leads in link-ing systems in steel plants, process control and installation of equipment such as automatic

testing probes. ley, Sir lan's successor as chairman, will announce bottom line hardly any steel in Europe and a profits for the 12 months to more meaningful comparison is profits for the 12 months with other European such profits to be more than double the ducers, BSC's main competitors.

BSC is now one of the most BSC is now one companies, productive European companies,

though the figure of six man hours per tonne is around the ame as that of the West German This week the world's fourth steel industry, though Thyssen, largest steel company began a the most efficient German pronew round of publicity exercises ducer, is almost certainly below designed to sell itself to institu-However, a number of Euro-

pean producers, including the recently merged Sacilor-Usinor group in France, are spending a lot on re-equipping, underlining does it compare with its competi-tors? Will the factors that have of around £250m to £300m a year. Sir Robert says that crude productivity measurements will become less relevant because they do not take account of the

The corporation attributes its

restructuring and labour motiva-tion, exchange rates and increased demand in the UK and

elsewhere. • Structure, The corporation has changed radically. At nationalisa-tion in 1967 it made steel on 28 sites and this is now down to five. Since 1980, the management structure has been simplified and partly decentralised and a pay structure introduced with performance bonuses accounting for up to 18 per cent of an employee's

The plant configuration will almost certainly change and shrink over the medium term. The survival of the strip mili at Ravenscraig in Scotland is only guaranteed until next year. The rest of the Ravenscraig plant has a guarantee for another six years or so "subject to market condi-

In the long term, the successor company to the corporation will probably work towards reducing the five integrated plants to two

or three.

Exchange rates. The strength of the dollar and the fall in the D-Mark from more than four to the pound to around three in the past two years has contributed a substantial chunk to the corpora-

substantial chunk to the corpora-tion's improved profits.

About 38 per cent of BSC pur-chases are dollar-related. This represents a huge sum. The cost to the corporation of purchasing ferrous alloy, coal and iron ore last year was the equivalent of

Corporation managers seem confident that the successor company could cope with some swing in currency. A sharp and sustained changed, however, would reduce profits and almost cartainly spark further rationalisation.

 Demand. The corporation sells 60 per cent of its output in the UK market where demand grew by between 8 and 10 per cent last year, according to Mr Martin Llowarch, the corporation's chief executive. UK demand is growing again this year but at a slower

in demand will slow further and price pressures increase in the market towards the end of this year. He says BSC is in as good a position as any European pro-

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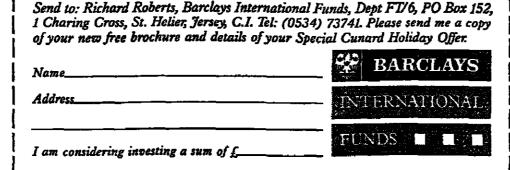
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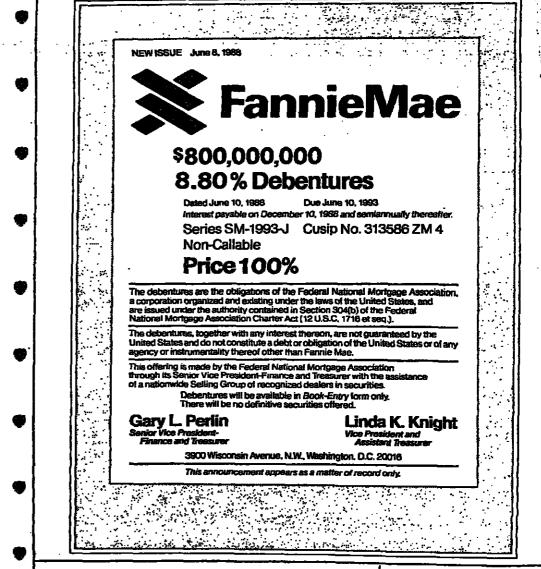
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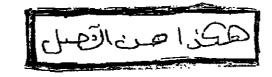
By Charles Hodgson

face 28-day

ELEVISION viewers who record

television programmes on video

ape must watch them and then



UK NEWS

Kinnock fails to win transport union backing

BY PHILIP JASSETT, MICHAEL CASSELL AND JOHN WYLES

MR NEIL KINOCK, the opposition Labour farty leader, yester-day received considerable blow to his bid to eform party policy when leader of the Transport and Genera Workers Union refused to pnominate him for the forthcoming leadership con-

At the hart of the union's refusal lay Ir Kinnock's changing policy stace towards nuclear weapons animationalisation. The labour leades both a member of the TGWU and is sponsored by it. It is the pary's biggest member

Labour leders tried last night to limit thedamage to Mr Kin-nock, who rith incumbent deputy leader Ir Roy Hattersley is contesting bid from Mr Tony Benn and Ir Eric Heffer for their respective tosts. Mr John Pres-cott is als challenging for the

deputy leaership.

Howeve further division over the issue at the heart of the union's nive looked likely when in RomeMr Kinnock forecast that next year's Labour conference woul approve a shift away from the arty's current policy of unilaters nuclear disarmament.

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A tale intel

Medial

The TWU's 39-member executive wasightly divided over the recommedation by Mr Ron Todd, goeral secretary, that the union wase 1.25m block vote is the larest at Labour's annual conferece-should support Mr Roy Httersley in the deputy leadersip election always looked

But aft-wingers on the executive amaged to win their pre-ferred line that no decision shoul be made on either Mr Kin-nock or Mr Hattersley's nomi-natio. This was carried by 20 voteso 17, with two abstentions. Th vote sufficed to make unnessary the left's fall-back optin of opening issue for con-sulttion among the union's

memers. Ir recommending support for botiMr Kinnock and Mr Hatter-sleyMr Todd tried to keep separatche policy issues under considration by Labour's review

greps.

It left-wingers made clear the strong concern about the pocy review's abandonment of sour's long-standing nationalisdon policy in favour of public increst companies, and Mr Kinnck's shift earlier this week any from Labour's present polic of unilateral nuclear disarma-

Speaking yesterday in Rome, meeting.



where he is attending a meeting of European Community socialist leaders, Mr Kinnock repeated his argument that it was worth throwing the Trident missile pro-gramme into the negtotiations instead of giving "something for nothing". He said that this would lead Britain into direct negotiations with Moscow on trading the withdrawal of Trident in return for equivalent Soviet missile

Even so, a form of words may still be found to satisfy the TGWU executive on the issue. But a solution on the issue of Labour's shift on nationalisation

may be less easy to find.

While the executive still seems certain eventually to nominate Mr Kinnock to the union's Labour Party conference delega-tion, which will make the final decision on the TGWU's support. unless it receives satisfactory assurtances on nuclear weapons and especially nationalisation, the executive may refuse to nom inate Mr Hattersley. Since many other unions tend

to be influenced by the TGWU, this may place Mr Hattersley's deputy leadership chances in considerable doubt particularly if the TGWU's Labour conference delegation decided independently Before the executive reconsid- to back Mr Prescott, his principal

is next meeting in September, is union's leaders will press for clarification" of the two issues, and other smaller reservations bout the policy reviews.

Some senior party figures were acknowledging that Mr Kinnock may have made a serious error in professing his views on defence before the union executive's

Business Expansion Scheme is criticised

By Charles Batchelor and Vanessa Houlder

THE BUSINESS Expansion Scheme, launched by the Govern ment in 1983, has largely failed in its main purpose of providing capital for small companies according to a report published yesterday by the Small Business

It says that although the amount of finance raised by companies through the BES - £410m in the three years 1983/64 to 1985/ 86 - has been similar to the sums raised in other forms of venture capital, the take-up rate has been low compared with other government schemes intended to help the small business sector, such as the loan guarantee scheme.

BES provides tax breaks for people investing over five years | IT SEElike all its birthdays in qualifying small companies | and Christmases rolled into There are three main methods: through prospectus issues, which have typically been used to raise amounts of more than £500,000 for individual companies; through funds which spread their investments over several compa-nies; and through direct investment in individual companies.

The report argues that there is still an "equity gap" between \$100,000 and \$500,000 which BES has largely failed to fill. The popularity of prospectus issues has meant that companies seeking smaller amounts of money through BES funds have been squeezed out. Companies seeking ess than £100,000 have fared bet ter by persuading individuals to make direct investments. Hopes that the scheme would

assist high-risk businesses have also not been met, with most of the funds raised going to service sector businesses, often asset-re-lated and predominantly in the wholesale, retail, property and leisure sectors.

The proportion of total finance invested in manufacturing has declined from about a third in 1983/84 to less than a quarter in 1985/86.

The report's authors call for BES funds to be made more attractive relative to prospectus issues; for the establishment of financial "marriage bureaux" to encourage more direct investment by individuals; and for tax reliefs to be extended to people who become directors of BES funded companies.

Closing the Equity Gap? An Assessment of the Business Expansion Scheme by Colin Mason, John Harrison and Richard Harrison. Published by the Small Business Research Trust.

"IF YOU can satisfy squaddies, you can satisfy anybody," says Mrs Edwina Curvie, Junior

The way to do it, according to Mrs Currie, is to feed them passion cake, aduki bean soup and aubergine bake.

ments such as hospitals, schools and residential homes. The squaddies, said Mrs Cur-

ing a low-fat version of their favourite hamburgers. Not that Mrs Currie, then eyeing a piece of sticky prune cake (energy 175kcal, fat 3.8g and fibre 3.2g per portion) wanted to launch a national

Rather, she said the recipes prepared by a DHSS working party and available in White Paper at Her Majesty's Stationery Offices, would provide practical help to caterers wanting to offer healthy, attractive and testy dishes.

and tasty dishes.

Mrs Currie, who has criticised the "fish and chips" diet
of Northerners, was asked if
the new recipes should be used
particularly in the North.

"This entire nation has levels of heart disease that are among the highest in the world, she said. "We have nothing to be proud of about our national diet."

Asked what was different in the new recipe book from its predecessor, she said the reci-pes contained much more fibre, the fats were unsaturated and if flour was used it was often a mixture of white and wholemeal.

"Good food does not need to be expensive," said the Junior Health Minister, delicately peeling a grape.

should not be free to eat them-

selves into an early grave if they wanted to, she got down to the nitty gritty. Ilinesses attributed to poor lifestyles cost the NHS a lot of money. she said. In addition, people when they keeled over said they wished they had been

It is not just the recipes that have been designed to promote a healthier and longer life. A senior member of the working party confided that the reason for the recipes being contained on laminated cards was that too-well-thumbed hospital recipe books had been condemned inspectors as health hazards in

straints on its level of capital

it easier for Birmingham to finance investment in the sense

that they will relieve it of the

allocation by an equivalent sum.

A related criticism is that

ple, that Birmingham's middle ring road would never be com-

pleted, or that the NEC extension

would be abandoned, were it not

The EC is not in any case pro-

posing to ship out £203m in cash to Birmingham tomorrow. The

agreed in principle to make avail-

able over the next five years, and

basis. Some £44m of the £203m

To the cynic, then, the main

rather than Birmingham itself.

lict at the very least the plan

for the IDO.

The grants will therefore make

Asked whether or not people

wipe the tape clean within 28 days. Otherwise they will be breaking the law under new mea-sures introduced by the Govern-ment yesterday. ment yesteriay.

The measures, introduced into the new Copyright, Designs and Patents Bill, seek to regulate the practice of taping programmes to be watched later, which is currently illegal but widespread. Tapes would have to be wiped clean after the time limit, preventing viewers from building up environmental health Birmingham's windfall is not all it seems, writes Richard Tomkins

clean after the time limit, preventing viewers from building up home video libraries.

Mr Francis Maude, the Consumer Affairs Minister, told the parliamentary committee considering the Bill that the move was designed to balance the interests of copyright owners and consumers.

ers. Mr Maude said that the present system, under which home video taping is illegal, was "absurd" but that simply legalising home burden of interest charges on borrowed capital, but they will taping for private purposes would breach the international Berne Convention on copyright. He conceded that the measures would be difficult to enforce, but said people could be trusted to comply with a "reasonable law". Video taping for commercial purposes would remain illegal.

many of the schemes incorporated into the IDO - and their The Copyright, Designs and Patents Bill will update existing accompanying EC grants - are not new at all, but simply exist-ing plans rolled up into a new legislation on copyright, dating back to 1956, and bring it into line with international agree-

> The 28 day time limit was scathingly crictised by opposition MPs. Mr Tony Blair, the Labour Party spokesman on consumer affairs, said that the government was "legislating an absurdity".
>
> Mr Blair said that the government was being inconsistent in opposing a Labour proposal that

a levy be charged under the Bill on blank audio tape, yet seeking to regulate home video-taping. abour had suggested introducing a similar levy on video tapes.

"This indicates that the government is being wholly inconsis tent in the way it treats different parts of copyright and has become dangerously adrift from its own White Paper," he said. The White Paper had concluded of enforcing restrictions on home

Mr Austin Mitchell, opposition trade and industry spokesman, suggested that tapes might be sold that "automatically explode" 28 days after they had been first used to ensure compliance with

Edwina's army marches on high-fibre diet

British soldiers were among the guinea pigs for a new 251 recipe file, launched by Mrs

Currie yesterday, for use in well-known eating establish-

rie – hovering over a passion cake elegantly prepared by pri-vate caterers – thought the recipes were "smashing" and had no idea that they were eat-

EC aid package could be a let down

and Christmases rolled into one when Birmingham learned this week that it was to receive £203m in grants and loans over the next five years under a new European

Community programme.

The sum is the largest single tranche of BC assistance yet awarded in the UK. It will contribute towards a total of \$446m to be spent between 1987 and 1991 on improving Birmingham's infrastructure and regenerating the local economy.

But the city fathers are not yet giving out orders for the streets to be repayed with gold. Like most emanations from Brussels, the grant announcement is not base. Special emphasis is to be quite as straightforward as it put on the service sector, tour-seems, and the \$203m purse has ism, high-technology industries. strings attached.

The programme now swinging into action in Birmingham is a programmes: economic action, new EC creation known as an Integrated Development Operation or IDO. The system was introduced as part of the EC bud-aid is being harnessed with funds getary and regional aid reforms from local bodies - notably Birgetary and regional aid reforms agreed at the February meeting

of Community leaders.

The aim is to improve the effectiveness of the aid available and improve planning capacity. Under it EC social and regional assistance is no longer to be handed out year-by-year and project-by-project. Instead, plans spanning a number of years are

Although preceded by pilot programmes in Naples and Bel-fast, the Birmingham scheme

BIRMINGHAM 1.D.O. (Em) spend Birmingham City Council Severn Trent Water Authority Private sector W.Midlands Passenger Transport Exec. Midlands Electricity Board **British Waterways Board**

planned in the UK. The basic strategy underlying Birmingham's plan is to reduce unemployment by diversifying the city's traditional economic small businesses and training.

The IDO consists of six linked

communications, environment, tourism, business development and manpower. In each area, EC mingham City Council, but also public utilities and others - to improve the infrastructure and

development programme is concerned mainly with will be in the form of loans, not lict land to provide greenfield sites for small industrial starter units. new electricity supplies marily of training. European funds are combined demands, the replacement or is undoubtedly a welcome boost with local sources of finance to produce a co-ordinated strategy for responseration.

Although approval of the IDO beneficiary of the creation of the IDO is the network of bureautrapy for responseration.

Although approval of the IDO is the network of bureautrapy for responseration. Aston Science Park with another the bonanza it appears. 30,000 sq ft of new venture units.

The communications pro- that every pound made over by gramme will provide for new the EC will find its way into gramme will provide for new the EC will find its way into gives the city an unprecedented roads in inner city areas of Aston extra investment in Birmingham. Jegree of certainty about the - drawn up by the city council roads in inner city areas of Aston extra investment in Birmingham. iegree of certainty about the - is the first fully-fledged IDO to and Nechells, the completiton of Most of the money is going to amount of EC aid it can expect be approved. Four bids from the middle ring road, the sink- Birmingham City Council, which over the next five years and has

not increase the total level of capital spending except in the unlikely event that the Government increases the city's capital

ments to the city's New Street railway station and a feasibility study into the proposed Midland Metro rapid transit railway. The environment programme ing plans rolled up into a new is much concerned with Birming-category. It is unlikely, for examham's image, consisting of many small-scale landscaping schemes. the refurbishment of run-down shops in the Handsworth district (one of the most dilapidated in Birmingham), and improvements

to the appearance of land and buildings adjoining the main roads and railways The tourism element of the the European Commission has plan, for its part, includes provision for a heritage museum in the city centre and an extension the actual amounts will still have to the National Exhibition Cen- to be decided on a case-by-case For example, the economic tre, while business development ludes the reclamation of dere-schemes to provide advice to grants, and may not necessarily small businesses, and the man-carry better terms than those power programme consists pri- available in the UK.

For example, it is not the case But that may be too harsh a ver-

northern England have also been ing below surface level of part of like other local authorities is subsubmitted, and a total of 11 are the inner ring road, improve ject to central government constrategy for regeneration.

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May Retail sales pick up amid caution over future

Problems in utility

regulations outlined

utilities will prove more difficult. The idea was to eliminate and more complex than many many of the complexities of US

have expected, say two Oxford regulation. US prices are set to economists in a paper published provide utilities with a guaranteed rate of return on capital.

Dr Dieter Helm and Professor This requires regulators to make George Yarrow say the apparent a detailed appraisal of reason-

simplicity of the Government's able" costs and of "prudent" formula for limiting price investments. The resulting arguincreases is "largely illusory." ments often lead to protracted

They believe that regulatory bodies will eventually be obliged to appraise the industry under their control in as much detail as occurs in the US.

In the latest issue of the Oxford Review of Economic Policy, Helm and Yarrow say it is wrong to believe that the British system of

occurs in the US.

When British Telecom was priregulation differs fundamentally

vatised in 1984 the Government from that in the US. "Nearly all established a formula which sub-operational schemes for regula-

established a formula which subtracts X from the retail price
index to limit future price
increases. X was given the value
of 3, so BT's maximum price rises
must be 3 percentage points less
than the rate of inflation in any
percentage in relation to the costs
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to British Gas. The electricity ity. Regulators will also need to industry is expected to be regutake account of the quality of serlated in the same way after privavice provided,

REGULATING the big privatised tisation.

lowed a disappointing level of sales in April Retailers, however,

244 retailers questioned, 66 per cent said sales were higher in May than the same month a year before and 9 per cent reported a

an increase, less those noting a fall, was +57 per cent. That compared with an exceptionally low

vey pointed to a steadier rate of growth in June compared with the steep rises reported in the

selling prices.

ing more realistic in forming expectations about future sale They recognised a lot of extra retailing space is coming on stream increasing competitive pressures and that costs are ris-"Competitive pressures are still strong in the retail sector and

this is reflected in a slowdown in the rate of price increases, which is expected to continue," he said. imports as a proportion of deliveries was growing faster than when the question was last asked in February. A balance of +7 per cent said import penetration in May was higher than a year before compared with +5 per

However, there was a slow down in the rate of increase of

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Ewart p I c.

BRITAIN's retail sales picked up in May but there is some caution about future months, according to the Confederation of British Industry/Financial Times distrib-utive trade survey published yes-

A similar formula was applied

The strong rise in sales last month which was only slightly below retailers expectations folexpect sales growth to slow in June.
The survey shows that of the

The balance of those reporting

balance of +31 per cent in April and +40 per cent in March, Mr Nigel Whittaker, chairman of the survey panel, said the sur-

Retail sales growth in the past ear has been fuelled largely by

strong growth in real earnings. Tax cuts announced in the budget are experted to increase sales Mr Whittaker said, however, that possible rises in mortgage rates following recent rises in base interest rates were "a rea-son for caution."

periodically and that this must be done in relation to the costs, profit and investment of the util-

He said retailers were become

In May, retailers reported that

cent in February.

The London office market moves West

By William Cochrane

"THE CITY MARKET is nearly dead, long live Central London!" accountants, may also feel less don levels.

This week, the spotlight widened to take in Holborn and Covered to take in Holbor accentuating the positive, are accentuating the positive, are getting the adrenalin going again. There is, apparently, a possibility of top West End office rents overtaking those in an oversupplied City of London.

These are bearish prospects for the City. Demand for office property in the Square Mile has not suffered much in the aftermath of last October's stock market

of last October's stock market crash, although brokers James Capel have decided not to acquire phase 7 of Broadgate and there is also some evidence of increasing volumes of space being sublet by major occupiers. But supply is rising and by the end of April, according to agents Debenham Tewson & Chinnocks, the supply of City office property had topped 2m sq ft. almost double the 1987 average of 1.2m sq ft.

in conjunction with that, trad-ing volume remains stubbornly low on the London Stock Exchange and observers such as Geoff Marsh's APR feel that this will affect the space requirements of occupiers generally linked with City offices. Big space users who are less affected, they say, such as solicitors and

Saatchi would take Legal & General's Landsdowne House development, 150,000 of new space in

opment, 150,000 of new space in the covered Berkeley Square location, for £62.50 a square foot; for the record, the top rumour in the City has been £67, for 64 Cornhill. New space on this scale is extremely rare in the West End. Old space must be less so, for Saatchi director Michael Dobbs says that the company has looked at 40 potential headquarters already, and that it has yet to make a decision on one of them.

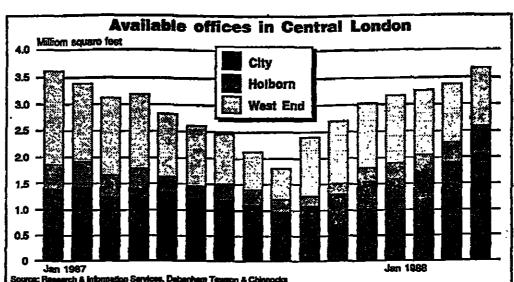
them.

However, for the new generation of big space occupiers, the right space at the right price is going to be hard to find south of Oxford Street; and Stuart Lipton of Stanhope thinks he could happily let the 7½m sq ft of office space planned for the Kings Cross redevelopment to large Cross redevelopment to large space users like accountancy firms, which will not want to pay inflated West End, or City of Lon-

or the property industry is approaching mid-summer's day with the focus squarely on the West End, Holborn and Covent Garden markets. In mid-May is the specific widened to take in Holborn and Covent Garden. Great Portland Estates, chaired by Richard Peskin and converted in recent was Garden markets. In mid-May it was rumoured that Saatchi & Saatchi would take I ami 2 Garden woul Covent Garden properties rise by 55 per cent in value in the year to March 31 last Great Portland's West End and Mayfair properties, however, ran a close second with

a 52 per cent gain.

bombed-out businesses. Westmin-ster has been insistent that they



Lane, headquarters of MEPC, Britain's second biggest property ley Square, will revert. The firm's company, which has tried and failed to get continued office use for the building with an abortive appeal to Environment Secretary Nicholas Ridley.

About 100 mansions in Mayfair were given temporary office permission after the war to help bombed-out businesses. Westmin-would now be at serious risk.

And mostly to the west of Berke-landsdowne House apart, there for the west of Erike-landsdowne House apart, there for the serious restrictions, therefore, did not include which is refurbished space rather than new.

Philip Fenwick Elliott may be able to put a mind or two at restrictions, therefore, did not include which is refurbished space rather than new.

Philip Fenwick Elliott may be able to put a mind or two at restrictions, therefore, did not include which is refurbished space rather than new.

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There is a very interesting to fight their cases. His fancy, and that of his clients, the long lease. The rent review negotiations, therefore, did not include which is refurbished space rather than new.

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There is a very interesting to fight their cases. His fancy, and the provide the permission and the provide the permission and the provide the permission and the provide the permis

a 52 per cent gain.

The shortage of supply is likely main landlords, the BP Pension to be exacerbated by Westminster Council's policy of returning properties to residential use.
These include Brook House, Park Lane, headquarters of MEPC, and mostly to the west of Berkeley and mostly to the west of Berkeley Square at - £25.50 a renewal negotiations. West End foot. And the landlord, Norwich union, is no slouch in this game.

The secret, he says, is that JWT is on a fully self-repairing personal properties. The ferm's personal p JWT is on a fully self-repairing lease. The rent review negotia-

Grosvenor Estate, then perhaps to fight their cases. His fancy, would now be at serious risk.

This is not a lot of space, they say, calculating that it represents taken by the Saatchi affair. Their three months' taken in the West interest is heightened, he says, bet says, but for the long taken by the Saatchi affair. Their deals done in the West End has three months' taken in the West interest is heightened, he says, been so few that it can be difficult to persuade tenants and the new lettings market."

This is not a lot of space, they walter Thompson, has been the same lettings market. The number of new lettings market, and the new lettings market. The number of new lettings market. The number of new lettings market. The number of new lettings market. would revert to residential when those permissions ran out in three months' takenp in the West and by the Seatchi affair. Their deals done in the West End has those permissions ran out in three months' takenp in the West interest is heightened, he says, been so few that it can be diffiend the sector. However, marginal by the fact that he has just fincult to persuade tenants that demand affects rents in a tight ished negotiating, for JWT, a their rents have been correctly and fairly based."

The rise of Rosehaugh

Rosehaugh, with its partner standope Properties, has been a said Mr Marsh. "Walko felt, prime mover in the £3bn Broad late development at Liverpeol Street Station in the City of London, and the Rosehaugh Standon, and the Rosehaugh on the property business.

E590m Royal Docks project in London's Rast End and the £6bn Ring's Cross redevelopment.

With APR it has now acquired.

With APR, it has now acquired "very straightforward; is one of the prime sources of infor-mation on the Central London to detail and to quality

ROSEHAUGH, a kingpin in Central London office development and a leader in the modern wave of development-rich property companies, has acquired its own research arm by taking a majority holding in Applied Property Research. APR is a privately-owned, and highly regarded consultancy and database operation set up in 1984 by Geoff Marsh, a former Jones Lang Wootton researcher.

Mr Jonathan Hallam, a directory and the costbangh. researcher.

Mr Jonathan Hallam, a director of Rosebaugh, said this week connection in future poset the that the company set great store quality of informationit wants, by the ability to gather and evaluate information.

Me are only 1 or 13 researchers strong at 128 - and the company are the company and the company and the company are the company a

mation on the Central London office market — and, if Mr Mark has his way, several others. Geoff Marsh set up CLOR, a Central London Office Research operation, for chartered surveyors Jones Lang Wootton, as well as doing original decentralisation work for the firm. He left to detail and to qualify:

His verdict on Central outlon? A report last month from APR saw the City Fringe at Docklands as vulnerable to veryone, but, it said, "the Wit Rad, with its highly diverse templer base and very limited upply pipeline, looks likely to smain buoyant."

This advertisement is issued in compliance with the Regulations of the Council of The Stock Exchange, It does not constitute an invitation to any person to subscribe for or to purchase shares. Application has been made to the Council of The Stock Exchange for the ordinary share capital of the Company, issued and now being issued, to be admitted to the Official List.



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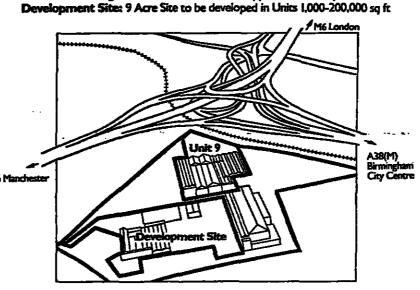
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FINANCIAL TIMES



Better infrastructure, particularly roads, Stansted airport's expansion and EC trade are bringing

higher growth and prosperity to Essex. But, reports Richard Evans, the county wants to ensure the pressures of growth do not destroy its still excellent quality of life

A precarious balancing act

lem that many others will envy. dramatic change of circumstance lem that many others will envy. dramatic change of circumstance it is the problem of success. For are many and varied, but the decades the county seemed to be three key developments have left behind in the strides made by been vastly improved infrastructures to the west, north and ture, particularly roads, the south of London following the development of Stansted as Londoning of modern high tech-switch in port activity from

The Teornies

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All that is now changing fast and Essex has to take account of the changes and decide how it the regeneration of London's should cope with the pressures docklands, has brought Essex to that success brings.

The fundamental problem is

how to perform a precarious bal-ancing act, to match growth and prosperity on the one hand The South East region as a against preservation of the whole has shown rapid growth in country's still excellent quality of recent years, but the fastest

County Council's chief executive, sees hig advantages in coming London and this area or pursual late into the field. He is auxious larly buoyant economic activity. It is a strategic position of the greatest significance and the economic activity. shire, Hertfordshire, Hampshire and Surrey where development has rushed ahead and some mis-

takes inevitably made.
"We must ensure that the county retains its unique character while attracting new indus-

don's third airport, and the switch in port activity from Britain's west coast to the east to take account of increasing trade

with the European Community. These three, with others like a series of crossroads involving decisions on how it should develop over the next decade and beyond.
The South East region as a

life. growth of all has been in East
Mr Robert Adcock, Essex Anglia. Essex occupies the pivCounty Council's chief executive, otal position between Greater

communications that have pro-



otal position between Greater
London and this area of particularly buoyant economic activity.

It is a strategic position of the
greatest significance and the economic pressures on the area
show every sign of growing as
Greater London continues todecentralise employment and the
UK's orientation towards Europe
grows steadily.

It is the randol's orbital motorway, that bypasses Chelmsford, the county
town.

It may be a profoundly changed many
town.

In the south the Al3 has been
realigned and upgraded to near
tial developers and employers. It motorway standard to improve
the transformed the recession hit areas on the north hank of the
Counties; last year it was top of
Thames like Grays-Thurrock and
the league table. Central government transport planners, are giving Essex a very high priority for
future growth.

tunes during a period when links bridge; has opened up the west of way standard links the London with Europe have been of parameters and borders with East Anglia and London's orbital motorway, that bypasses Chelmsford, the county and routes to the industrial Mid-

It is the rapidly improving future growth.

County to give excellent commuconnecting South Essex with Rall Eastern Network Services by
communications that have proThe M11, carving up from near nications. Apart from the M11, Chelmsford and the M11, and the electrifying lines to Colchester, vided the key to the county's for. London's docklands to Cam- the A12 now virtually of motor- cross country A120 which links

have been improved to make it all dual carriageway.

Nor have all the regional trans-

and routes to the industrial Mid-lands and the North. This route is one of the keys to future economic development and plans

port improvements been restricted to major roads. In recent years substantial improve-ments have been made to British Cambridge and Norwich and by

CONTENTS

Commercial property:

improving the quality and frequency of the services.

Road and rail routes have played a significant role in the development of ports at Harwich and Tilbury. Containerisation, pioneered in the 1960's, has given a dramatic boost to Harwich and Parkeston and in the last 20 years Parkeston has experienced a great expansion in car, passen er and container traffic to

One major problem as well as a challenge is the development of Stansted as London's third airport. The county was opposed to such substantial growth on envi-ronmental grounds but its objections were overruled by the Gov-

social and environmental disas-

The plan is for Stansted, just off the M11 and near the border with Hertfordshire, to handle around &m passengers a year at the completion of its first phase of development in the early 1990's. It will ultimately rival

Gatwick in size. The implications for the local economy are vast and the county plan is to disburse the additional population as much as possible to Harlow, Dunmow and to Braintree as well as Bishop's Stortford and across the county boundary into Hertfordshire. Top priority is to preserve the character of the Essex villages.

A worry is that the construction and then the servicing of Stansted will soak up too much of what is already a tight labour market. Mr Leon Grice, chairman of the Confederation of British industry's Essex branch, fears that the high wages will unbal-ance the local labour market and make skilled labour particularly difficult to find and to keep.

Business in parts of the county is now hungry for labour after years in which the unemployment rate in Essex was signifi-cantly higher than in other parts of the South East. The county

Unemployment rates have now come down from 12 per cent three years ago, which was well above the regional average, to

The shortage of skilled labour is acute in areas like Chelmsford and Colchester where some high technology companies are based With housing expensive and in short supply. Essex is in some ways already a victim of its own

So far the county has not succeeded in attracting high technology companies on anything like the scale of Berkshire, Hertfordshire or Cambridge but nevertheindustries is seen as a key to the future, and the county's first technology park has been opened at Chelmsford.

It aims to attract companies in electronics, precision engineer-Mr Peter Milton, the County's ing. pharmaceuticals and bio-planner, said every effort is now chemistry to a town where the being made to ensure the airport is a commercial success but not a experiments in radio. The GEC-Marconi headquarters is still in

To the north east at Colchester, the University of Essex has overcome its turbulent reputation of the 1960's and is now regarded as one of the most effective links between the academic and research world and industry. A decision is expected soon on the setting up of a science park on a 14 acre site on the University

This would act as a focal point to attract the type of high growth, high tech company that now favours Cambridge and the M4 corridor.

Two academics from Reading University, Michael Breheny and Douglas Hart recently conducted a study for Colchester Borough Council on how it should plan for the future. They concluded that the designation of a well thought out science park could itself cause growth in high technology to take place, as has happened at Cambridge.

There are in addition several initiatives in Essex to improve links between higher education and industry, and the County Council has set up a successful Business Centre to help small

and new businesses develop.

Essex is in an enviable position grew rapidly in 30 years from a population of just 800,000 in the early 1950's to its present total of of East Anglia. It has already over 11/2m, but jobs did not keep seen rapid changes affecting every aspect of its economy and it has arguably the highest growth potential of any county in the UK. The next few years will show whether it is able to main-tain its unique and complex chararound 7 per cent, and the fall tain its unique and complex char-has been faster than in other parts of the South East.

show whether it is able to main-tain its unique and complex char-acter as well as its great environ-mental advantages. mental advantages.



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The county's economy is on course for a decade of record growth

No longer the poor relation

making the biggest impact on the economy of the county, according to Mr Michael Large, chairman of

the Essex branch of the Institute

of Directors. "There has been a remarkable upsurge of small businesses recently and this is helping to make the county boom," he says.

Until recently, unemployment

in Essex was higher than in the rest of the South East, but this has started to change. Between

January and 1987 and March this

year, the number of unemployed

dropped from 61,000 to 45,000, a

fall of 37 per cent, a proportion-ately bigger fall than elsewhere in the South East.

But one barrier to reducing lev-

els of unemployment further is

the shortage of certain skills, according to Mr Leon Grice,

British Industry's Essex group.
"The shortage of skills is becom-

ing significant and it sometimes takes weeks to fill a vacancy." he

Resex can be divided economi-

cally into four zones: the heavily

industrialised corridor along the

north bank of the Thames, the

by thriving towns like Harlow, Braintree, Colchester and Chelmsford, the county town; the more rural north, and the coast with the thriving ports of Har-

centre of the county repres

chairman of the Confederation of

Since the UK economy pulled out of recession, investment capital has been pouring into the The main reasons why employer, even though its largest plant, at Dagenham, is now in much private investment are the completion of the M25 Orbital Motorway and the M11 motorway from London to Cambridge the many plants in Essey them. decision to develop Stansted as and engineering centre at Dunton London's third airport, and the administration centre for remarkable growth of the East Ford of Britain and Ford of coast ports, with their direct Europe at Warley. links into Europe. The absence of sophisticated transport and communications links that previously held back economic develand GEC Marconi, STC and Plesopment have been corrected.

Manufacturing has remained ly-signifi more important to the economy presence. in Essex than in most other counties in the South East, despite the thrived because of the improvesevere impact of the recession on industry along the Thames. Over has been one of the main benefi-a quarter of the county's 530,000 claries of the relocation of staff work force are employed in from central London. industry or commerce. Engineer-ing is particularly strong, with electrical and electronic engiindustry, and mechanical engi-

neering 16 per cent.
Other industries well represented are paper, printing and have moved to Colchester. publishing, food and drink, But it is probably the s

THE 1980s are set to be a decade vehicles and chemicals. Although of record economic growth for Essex, after years of being considered the poor relation of the Home Counties. industries, like metal manufac-turing and textiles.

Apart from the county council,

Other major employers are Shell, Mobil and Texaco in a sey spear-heading an increasing-ly-significant high technology

ment in communications; Essex

Access, the credit card com-pany, has its headquarters in Southend and a second centre neering employing 20 per cent of has been set up at Basildon to those working in manufacturing help handle future business growth. Royal London Mutual Insurance is one of a number of financial services companies that

But it is probably the smaller wich and Parkeston and resorts like Southend and Clacton.

It is the industrial heartland bordering the Thames that has seen the biggest changes in recent years, first with the decline of traditional industries the development of modern

industrial estates Right in the centre of development is Thurrock which has seen a spectacular resurgence in the last two years, largely because of completion of the M25. It has been labelled "Britain's busiest

Developments include a new town of 5,000 homes, Chafford Hundred, being built on 600 acres of disused mineral workings, Thurrock Bridge which will carry the southbound flow of the M25 over to Kent, and the Lakeside regional shopping centre which will open in 1990 with over 1.1m so ft of retail space.

Over 800 acres of industrial

Testing at the Ford Emmi

amount, nearly 250 acres, is in Marconi electronics group and

Thurrock.

Basildon, just a few minutes away from the M25, has over 100 is also a major employer. and the sharp impact of the acres ready for development. A Colchester, said to be the old-recession and more recently with further 700 acres throughout the est recorded town in Britain, is a

ics, ITT and Access, offices have Systems, recently been let to the Commer- To the

acute. The area, centred on caused problems of over-produc Chelmsford and Colchester, is tion and the search for alterna

land is available for immediate county population of one and a the county. It has traditionally development in Essex, according half million, is an important engineering and technological centre. economy, particularly for Southvey, and by far the largest it is headquarters for the GEC end, Clacton and Frinton, but

another GEC company, the English Electric Valve Company,

county is likely to become avail-able later in the year. major garrison centre and the home of the University of Essex able later in the year.

Basildon vies with Thurrock in at Wivenhoe Park. The historic claiming to be the fastest-grow- town has attracted major office ing town in Essex and, apart employers like Lloyd's of London from the established presence of Press, Royal London Mutual companies like Ford, GEC Avion- Insurance and Philips Busines

To the north, the county is still recently been let to the commercial Union Insurance Group.

To the north lies the central farms of Essex with their rolling belt of the county which was relatively unaffected by the recession, but where the pressures of in the country, but the agriculdevelopment are now becoming tural surplusers of europe have tive crops

Chelmsford, the county town Tourism is something of that has become too small for a problem for the coastal resorts of patterns have changed. The days when the resorts of Essex were the most popular holiday destinations for Londoners have long gone, and the emphasis has changed to day trips and short

> Both Southend and Clacton have made vigorous attempts to extend their economic base by attracting service companies and light industry, and employment elsewhere on the coast has been helped by the trading boom in the ports of Harwich and Parkes-

ton and at Tilbury

Profile: Access

A business which has mushroomed

FOR MANY of us, the Access. Joint Credit Card Company, or card is all too flexible a friend. In JCCC - provides the central serbusiness will continue, citing the fact that in the UK. only 1 in 3 allows the indigent consumer to advertising, authorisation and buy beyond his or her means computing. with only a frisson of guilt.

But, some weeks later, Access gets its own back with the statenent, chronicling each purchase made in a moment of weakness. the brown envelope, the mountain of unwanted promotional lit- just 70,000 retail outlets. erature and the gift, to you as an especially valued customer, of an even higher credit limit.

Those not sent into shock by the size of the bill may observe sons: its proximity to London; the that the envelope, and the cheque that it must enclose, are to be sent to Southend-on-Sea, where tence of a pool of clerical workers Access has made its home since in the are it was founded in 1972.

house the 4,500 employees whose job it is not only to open and process the 300m items of post received each year, but also to deal with the 27m calls received annually from retailers requesting authorisation for customer

Access. Southend's biggest employer, is the joint credit card 30 per cent over recent years. service of Lloyds, Midland, National Westminster Banks, the Royal Bank of Scotland, Clydesdale, Northern and Ulster Banks, National Irish Bank and Bank of

Each of these banks is responsible for recruiting its own car-dholders and for financing the balances outstanding on cardholder accounts. Access known more formally as the

When first launched, five years after Barclays pioneered its Bar-claycard under the aegis of the Visa organisation, Access employed only 400-500 staff and the card itself was accepted in

According to Mr A Lee, Access chief executive, Southend was chosen as headquarters for the business for the following reaproliferation of suitable accommodation nearby and the exis-

The local telephone exchange The Southend skyline is domi-and post office were also geared nated by the skyscrapers that up to cope with the voluminous ntity of phone-calls and mail that Access would attract.

Over the sixteen years, the business has mushroomed. Some 300,000 UK retailers accept the card. Turnover - in terms of the total liabilities incurred by carhaving grown at annual rate of

The organisation makes money not by charging interest to the cardholders - that is the prerog-ative of the member banks - by by billing retailers for using the service and allowing direct mail companies to "ride pillion" in the monthly statements to custom-

Yet it will not be easy. Access with around 49 per cent of the UK market, is bound to face increasing competition, not least from Visa, with around 13m card holders and 51 per cent of the UK. But also from new entrants to the market, and on the basis of the interest rate charged to card-

On the first count, building societies such as the Abbey National and the Halifax have signed up with Visa and are poised to market their own cards to their loyal customers. Even the trade union movement is now involved, with the G and B general union is set introduce a card to its members.

In the years since Access was launched, there have only been a dozen changes in the rate of interest charged to customers. This might change after the Monopolies and Mergers Commission, currently investigating the issue, reports its findings.

The rate charged by a majority of the banks is a straight 2 per cent per month, which works out at an annual percentage rate of 23.1 per cent. It is up to the individual banks to change the rate. Save & Prosper and Chase Man-hattan have already dropped their charges in what may prove



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Profile: Hi-Tec Market runner

NEXT TUESDAY, the Southend- oped, the "by Inter" signature based company, Hi-Tec will join was dropped and within a year the the stock-market. Amid all the metamorphosis was complete. the panoply of an offer for sale, At the same time, the company the running shoes company is made moves to holst itself up-likely to secure a market capital-market.

two lads from across the road 750,000.

working as packers.

Now, the company sells more duced in 1981, was relaunched in sports shoes in the UK than any the following year with the help of its rivals, commanding just of TV commercials and posters, under a quarter of the market. It The campaign won an award sells shoes in 200 different styles from the Institute of Marketing and exports to 45 countries. Its and acted as a catalyst for the squash shoe alone has sold more company's sprint for growth.

"The secret of our success lies than 5m pairs and is worn by champions. Turnover has risen in carr marketing", observes Mr champions. Turnover has risen rapidly to boot, from £8m in 1982 to £50m in the last financial year.

In its earliest days, Hi-Tec was known as Inter, a separate UK company named after Inter in the Netherlands The Datch company.

Colours and designs are Netherlands. The Dutch company was owned by a friend of the chairman who subsequently decided to sell out.

That was in 1982, and posed a major problem for Mr Van Wezel. His erstwhile friend retained the right to the Inter name in Taiwan, where most of the shoes were manufactured and was in a

were manufactured and was in a position to charge a 3 per cent royalty on every pair of shoes sold in the UK.

The chairman's response was nish the company with cash to relaunch as Hi-Tec, and he did so with such success that his such as sports accessories. The endeavours have inspired a case such as sports accessories. The endeavours have inspired a case such as sports accessories. The endeavours have inspired a case with such successories are unit throat of expansion, how-study at Harvard Business ever, will be in the US market, its such as sports accessories to the come shoes as normal but world leader among sports foot. out the same shoes as normal but world leader among sports footwith the label changed from Inter to Hi-Tec by Inter. As brand recognition devel-

This is all a far cry from the company's origins thirteen years ago in Mr Fritz Van Wezel's ket for running shoes. The aim house in Shoeburyness. Then was to repeat its success in the aged 32, the present chairman market for squash shoes, which started up with a neighbour Hi-Tec dominates with annual working as his accountant and worldwide sales of more than

The Silver Shadow, first intro-

Colours and designs are changed frequently in line with the demands of ever more fashion conscious customers. This adds a further competitive edge to shoes which sell in the £15 to

\$40 price bracket.

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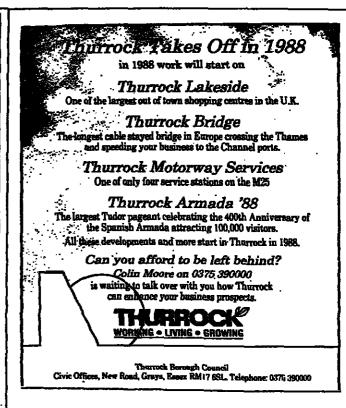
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Kevin Brown, Transport Correspondent, explains how the county has benefitted from a shift in trade patterns

EC and container revolution boost ports growth

fitted greatly over the last 15 the port.

The other major Essex port is trade away from the Common wealth and towards the continen-

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71.5

David Her

tal European Community. ting from this trend - the biggest gamer has probably been Felixstowe, just up the coast in Suf-folk, and there has been a substantial increase in trade through more northerly ports such as Hull and Immingham.

The two main Essex ports have

spoils, however, and the authorities at both are planning major investment programmes in a bid to expand their market share still

The higgest port in the county is Tilbury, which handles around 6m tons of cargo every year. This represents the bulk of the non-oil traffic processed by the Port of London, which amounted to just over 10m tonnes in 1986, the last year for which official figures are

Tilbury has undergone spectac-ular growth in the last 20 years as London's upriver docks first declined and then virtually disappeared as a result of changes in cargo handling methods.

The result was that the centre

of London's port activity moved eastwards to deep water facilities built at Tilbury to accommodate the new breed of container ships which was taking over from the general cargo vessels which had traded into London for centuries.

Tilbury has the advantages of being close to the London consumer market, and connected to Europe and the rest of the UK by the M25 motorway and British Rail's Freightliner network,

THE PORTS of Essex have benewhich operates a terminal within keep up in the race to attract

ships a year. The PLA has plans service to Zeebrugge, which was more northerly ports such as Hull and Immingham.

The two main Essex ports have been been far from left out of the spoils, however, and the authorises the best ports are the strong and the authorises the property of the spoils, however, and the authorises the property of the spoils, however, and the authorises the property of the pr

update equipment in order to in the parent company.

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one of the largest import/export by Sealink Harbours, a division grain facilities. It is also second of the Bermuda-based Sea Concelly to Felixtowe as a container tainers Corporation.

port.

Tilbury also houses the Port of London's international cruise terminal, which handles around 100 beginning the withdrawal beginning to the polymer of the polymer of

the PLA is, in the course of a behind Sea Containers' decision from improvement programme at to put the port up for sale – Tilbury, intending to extend along with Heysham and Newcargo handling facilities and haven – during a financial crisis

1,250,000

6,000,000

26.818

145,000

In the event, talks between Sea Containers and Associated Brit-ish Ports, the UK's biggest port operator, broke down over price and all three ports were taken off

Since then, Sea Containers has recovered its financial equilibrium, and Mr James Sherwood, the company's president, says the group intends to hang on to all its ports, including Harwich.

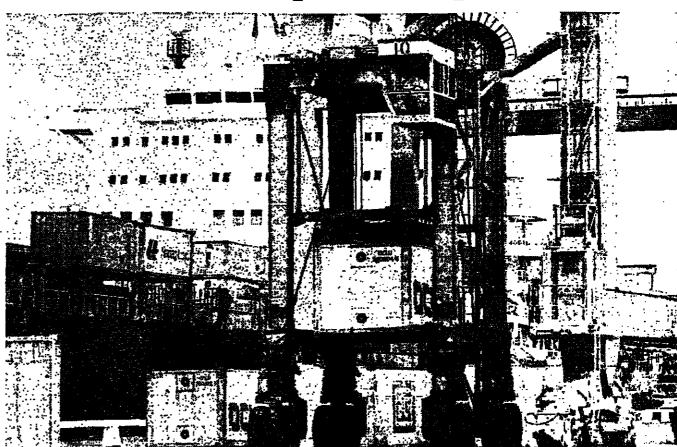
Like Tilbury, Harwich boasts good access to the UK motorway network, although local road ccess is less satisfactory. Sea Containers is talking to Essex County Council, the highway authority, about possible improvements.

A major expansion is likely within the next two years, assuming that parliamentary approval is given to a private Bill currently passing through the

The Bill provides for the devel-opment of the 350-acres Bathside Bay - an inlet of the River Stour located next to the existing dock facilities - which would double the size of the port.

The scheme involves the con struction of a new quay wall, and the reclamation of tidal mud flats to form a hard standing. Four deep-sea berths would be built with facilities for container, roll on roll off and other deep sea ships, and 25 acres of container

Colchester, the other Essex port, is significantly smaller than its two local competitors, but has a substantial throughput of dry bulk commodities. The port was recently sold to ABP by the Dal-



New business promotion

ESSEX PORTS - TRAFFIC STATISTICS, 1986

Partners of profit

businessmen as the county that finance, management, staff train have been fully utilised and a costs and delivery time-scales, so offers the best communications ing and exporting. It organises second centre was opened at much better," says Mr William-and is on the doorstop of both the seminars focussing on small Clacton earlier this year. nation's capital and some of the most profitable markets in northern Europe. It is a powerful mes-sage that is becoming increas-

The carrot, apart from the comto London, is the potential for ford, the centre's remit covers all growth over the next decade. The county, once the County of all rolling wheatfields near the Suffice County's employers is given by the University of Essex, based to boom. But to ensure the momentum is county and the county from the county's employers is given by the University of Essex, based on a parkland campus above Calmonentum is consistent. momentum is continued more nsinesses to be attracted.

taken up by a number of organi-sations is both the public and pri-vate sectors, headed by Essex

Since the early 1980s, the council has been actively encouraging economic growth, promoting Essex industry to protect existing jobs and supporting new developments to provide more.

An employment promotion unit was created in 1982 and, in haison with local and national organisations, the unit ensures that the many advantages of Essex as a place to invest or relo-cate are made as widely known

Assistance to small firms is given by a sponsorship with local councils of the county's ten enterprise agencies. A typical example is at Epping Forest, where a 42 unit "seed bed" centre specifically designed for new and start-up businesses opened in February at Loughton.

The Cheimsford-based Essex Business Centre was launched by the council and the Essex Institute of Higher Education in 1984 between 150 and 300 sq it are to provide a free counselling ser provided at low cost and on an vice and advice of all aspects of easy in/out agreement. Since

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The Young Enterprise project, which helps people aged 18 to 25 to establish themselves in busifirms and runs short courses in

business management.
The Business Centre started with a staff of one, Mr Roy McLarty, who is still director, and it has since grown to employ 20. Although based in Chelms

Essex University fulfils a very special role. We apart but as a vital element of the

community and economic life around us'

industrial areas on the north-bank of the Thames estuary. Since individual counselling is companies ranging from one man the prime need of the small busi-nessman, Mr McLarty has con-centrated on this. "We find that people react best to individual treatment and this sort of counselling has been our most suc-cessful activity," he said. Around 5,000 businessmen have been

The service covers finance, marketing, premises, supplies and computing and there is also assistance in exporting covering market planning, documentation, the funding of agents and trans-

In 1986, the centre's service was expanded to help young entrepreneurs with the launching of the Essex Young Enterprise Centre at Basildon. Work units of between 150 and 300 sq ft are provided at low cost and on an

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348646

companies ranging from one man businesses to multinational corporations

Mr Lawrie Williamson, the university's director of industrial liaison, believes Essex fulfils a very special role. "We are a university with a difference. That's because we see ourselves not as an institution set apart but as a vital element of the community vital element of the community and economic life around us. full-time and 4,000 part-time stu-Nothing emphasises this better than our partnership with indus-

University scientists and engineers have many links with industry. They are helping to apply new technology to traditional industry, will arrange leadinect link bets sibility studies for new products development and relevant higher and processes, collaborate on education and training, and long-term design and develop-ment and provide chemical and biological analysis, consultancy services and training.

physics and noise and vibration funded, organised and taught cancellation – as well as staff in jointly with Cable and Wireless, a academic departments, such as training contract with Ford involving training on site all over

and techniques developed by a undertaking consultancy and specialist industrial groups have professional training in all five continents and has working relacompetitive lead in their martionships with New York State

find out what industrialists really want ... we appreciate the reali-

ESSEX SEEKS to sell itself to business including marketing, opening, the centre's 30 units ties of commercial life, such as

A plan for a science park, first considered three years ago when the time was not thought right ness, has been backed by a range of local employers including Ford Motor, British Telecom, Marconi overlooking Colchester has overlooking Colchester has already been earmarked.

> The idea would be for the science park to act as a magnet for high technology and science and marketing-based companies which could then use the facilities of the university and its campns. The university is split 60 per ent to 40 per cent in favour arts subjects so there would be a major research element in favour of commerce as well as science

Complementary support to that of the university is provided by the Essex Institute of Higher Education based in Chelmsford, Brentwood and Danbury, It concentrates on vocational courses at post-graduate and higher technician level in electronics and telecommunications, computer aided manufacturer, construction management, surveying and planning, law, business and man-

dents and 8,000 attend updating programmes annually. A recent study showed that 99.4 per cen of the full-time students found relevant employment two month

The institute recognises a direct link between economic development and relevant higher places emphasis on developin partnerships with employers.

Examples are a degree in tele-Four self-supporting industrial communications systems man-units – biology, electronics, agement for experience staff physics and noise and vibration funded, organised and taught chemistry, computer science and Europe, and a training package for the building industry.

The institute is currently kets, to increase efficiency and and Southern Illinois University or to solve seemingly intractable environmental and Telecommunications in rohlems," says Mr Williamson. China and a range of universities
The range of services offered in the European Community and

The range of services offered varies from one group to another, but generally includes problemsolving, analysis, feasibility studies for new products and consultancy and training. Customers shire College of Arts and Technology. It hopes the new college of a department's analytical instruments.

"Our approach is outward-looking. We take the time and fooking. We take the time and frouble to go out into industry to find out what industrialists really

Richard Evans



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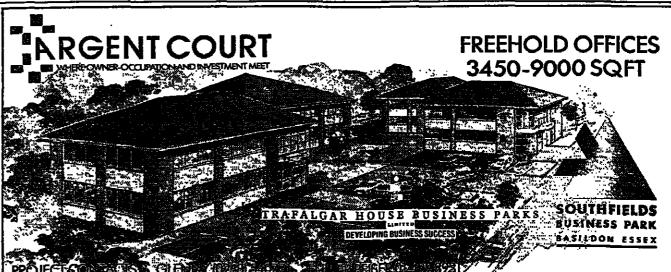
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DEVELOPMENT PRESSURES are piling in on Essex as the property industry seeks to take advantage of the swing in the national economy to the east of the country and of the improve-

The completion of the north east segment of the M25 London orbital motorway and its junction with the M11, running from east London through west Essex to Cambridge, has coincided with the gradual shift of property attention to the opportunities afforded by the Eurotunnel.

Even 15 months ago a poll carried out among property invest-ing institutions by Market Research Enterprises for Derrick, Wade & Waters, chartered surveyors, found that over a third of the sample considered that the M11 corridor offered the greatest potential for rental growth over the next 10 years.

Essex seems set for the type of development that for the last decade has characterised the areas to the west and south west of London. The expansion of Stansted Airport is likely to be attended by growth of the type that has taken place at Heathrow and Gatwick. Already demand for warehouse and distribution facilities in the county has increased. Shopping centres developments

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Commercial property

The pressures pile up

have been proceeding apac town centres like Romford and Chelmsford, through Trafalgar House Developments and Kings Head Meadow Properties respectively, while at Thurrock, planmajor out-of-town centre on the Thurrock, in fact, is a symbol of the development in the county.

It is an area into which the planners have sought to steer development. Land is relatively plentiful. Capital and Counties will shortly start construction of the shopping centre, having bought out the Pearson interest in the joint venture. But there have been other transactions and plans announced reflecting the incipient property strength of the

recently bought 60 acres of land from RTZ Estates for 58.5m and plans to expand existing ware-housing facilities to create the Waterglade International Indus-

Homes - have pooled their holdings to develop Chafford Hundred

hitherto derelict land. Essex, indeed, faces the same Essex, indeed, faces the same meet this demand at the expense pressure of demand for new housing as other counties in the meet this demand at the expense of the Green Belt which seeks to Belt have more recently led Mr hold in check the spread of Lon-Ridley to refuse permission for a

CHARTING THE progress of the great earth moving machines

around a mile north of Stansted

station, a tiny halt on the London to Cambridge railway line has become a diverting distraction

for regular travellers seeking to

relieve the monotony of the jour-

The work they are watching is

ansted Airport. The airport was

chosen by the Government in June 1985 – following a series of bitter planning battles – as Lon-

The construction of the rail

spur is just one of the series of

major works, associated with the

airport's expansion, which could radically alter the fabric of life in

Stansted, long a small commer-cial airport mostly handling char-

ter traffic, was built in 1942 as a military airfield for US bombers.

The changes now underway will

turn it into fully-fledged interna-

tional airport handling up to 8m

passengers a year by 1991. Two years ago the airport was han-dling around 500,000 passengers a

year. If the Government gives its

experts believe it will be forced to

do so by overcrowding at Gatwick and Heathrow airports

to 15m passengers a year by the end of the century.

The growing pains could severe. Stansted and the surrounding villages and towns along the borders of Kesay Canada and the surrounding the borders of Kesay Canada and towns.

along the borders of Essex, Cambridgeshire and Hertfordshire lie

in the very heart of the country-

Experience of airport develop

ments worldwide suggest that the nature of this area will change as the local population

expands and industry and com-merce are attracted to the areas

Stansted could be handling up

this part of rural England.

don's third airport.

the construction of a rail spur from the main railway line into

trial Park.

On a bigger scale, the landowners of 600 acres – Bine Circle in April, it was disclosed that the Industries, Pearson and Pelham Homes – have pooled their hold-twood Health Authority had sold demand of Consortium Develop-

that they are not prepared to Green Belt.

ings to develop Chafford Hundred
27.35 acres of surplus land for ments, grouping the country's biggest housebuilders, for contours, community and leisure
420.6m. The buyer was Heron biggest housebuilders, for contours, community and leisure
420.6m. The buyer was Heron biggest housebuilders, for contours, community and leisure
420.6m. The buyer was Heron biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country's biggest housebuilders, for contours and because of the country and But the planners have shown new community in the county's

new racetrack, grandstand and car parking at Orsett, although last year he was prepared to grant consent Procedural problems with a planning case which had appeared to be completed last year allowed the whole matter to be re-opened and Mr Ridley changed his mind.

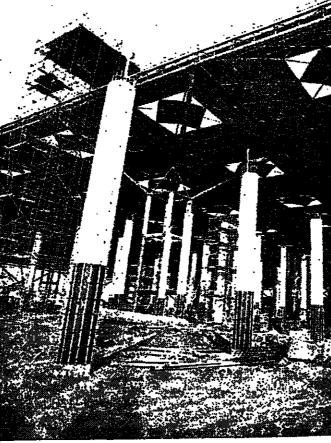
These two cases show_that property development in Essex will not be unfettered. But even with the existing stock there has been an increase in values. The latest survey of 50 centres throughout the country by Jones Lang Wootton, chartered survey ors, showed that last year offic rents in Chelmsford rose by 12.5 per cent to £3 a square foot and that industrial rents rose by 22.8 per cent to £3.50. They will have climbed higher since then, in line

But this growth for offices is beneath the mean average for the centres surveyed. Looking at Chelmsford office rents for the period from 1979 to 1987, JLW found that they had risen slower than the rate of inflation.

In a particular way, this make to the improvement in communi

Stansted airport expansion

Major works ahead



merce are attracted to the areas around the airport – just as the Heathrow and Gatwick environs have grown and changed in char-acter during three decades of commercial air travel.

Airports like Heathrow and Catwick have become the mod-ern day equivalents of the Victo-rian railways which acted as a catalyst for economic activity and bought prosperity to cities and towns along their routes.

Developers at Stansted are already eyeing covetously some of the great open fields which lie and the construction of a new

beyond the airport's 10,000 ft run-way — it was lengthened in the Thames at Dartford will further 1950s to accommodate long-range nuclear bombers. The provided improve communication still fur-ther and add to the region's

don to Cambridge railway line area.

Housing demand in this part of attractiveness.

East Angila is already very high. House prices in East Angila are as a result, in particular, of the rising faster than any other construction of the M11 and M25 region in the country as too motorways which have dramatic many buyers chase too few house for sole. The pressures are ally improved communications.

The electrification of the Lonparticularly acute in the Stansted

Major housing developments

with the general trend in the south east.

the point that property growth in Essex has some catching up to do. The relative cheapness, allied cations, is likely to intensify development pressures as compa-nies look for accommodation that is less expensive than central London and the western and south western motorway corridors. There is much talk of the Phoenix rising in the east. Essex is part of that Phoenix.

Paul Cheeseright

proposed along the line of the M11 motorway include a new town of 3,000 homes at Wilbur ton, near Cambridge, which has been put forward by Consortium Developments, representing ten of Britain's biggest house build-

rs. More than a dozen separate proposals have now been made to develop a new town close to Cambridge. They include a plan by Erostin, property developers, which wants to build 3,000 homes at Chittering, north of Cam-

At least another three large scale developments are proposed within a 15 mile radius of the airport. These include: Stortford Park Farm a 1,500 home develop ment proposed by Bovis and McAlpine Homes at Bishops Stortford; 1,200 homes proposed by Crest Homes between Stansted and Bishop's Stortford and 3,500 homes proposed by a consortium of Countryside Prop erties, Croudace and Wates at Harlow.

Further east at Braintree in Essex there are plans by Bovis to build a 1,000 home development at Marks Farm while Countryside has proposed a 1,800 home devel-opment called White Court West. Many of the schemes are likely to be opposed by local authorities as Essex and Hertfordshire planners try to keep a lid on expansion in the rural areas of the two

The authorities which opposed the development of Stansted as London's third airport say that 4,000 extra homes will have to be built in the next decade to accommodate the airport's expansion They propose that about 3,000 of these be located in three towns: Bishop's Stortford, Harlow and

Local estate agents and build-ers say the local authorities estinates are far too low and do not take into account the more general growth in housing demand which has already occurred in the area following the construc-

tion of the M11 and M25. Moreover the Council's estimates are based on the airport handling no more than 8m pas sengers a year when many experts believe parliament will increase the airport's throughput up to the maximum of 15m pas-

Demand outstrips supply

DEMAND FOR all types of commercial property in Essex continues to outstrip supply. according to a report given to the County Council by Mr Stuart Selfe, the county plan-

Mr Selfe said that the amount of vacant industrial and warehouse accommodation listed in the Essex Commercial Property Register had fallen to 1.9m sq ft from 2.7m sq ft at the end of 1986 and 5m sq ft in 1984.

Vacant property now accounts for only 1.8 per cent of the total stock of industrial and warehouse accomodation

in the county.
Undeveloped industrial land totalled 1530 acres, of which

half could be developed imm distely or is likely to become available before the and of September, Mr Selfe said.

On past building rates, Mr Selfe estimated that this sup-ply of land should suffice for the next eight years. But he warned that 40 per cent of this land is held by companies for their own expansion, or com-mitted by planning permis-sion, or is not on the open

The percentage rises to more than 95 per cent in the Bren-twood. Epping Forest and Chelmsford areas, Mr Selfe

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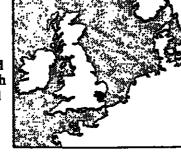
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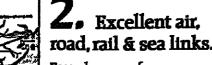
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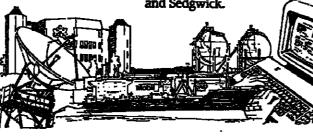




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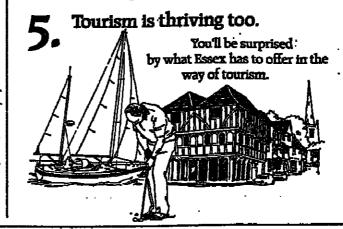
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IN AN AGE when most large commercial organisations are spending more on maintaining their existing computer systems than on building new ones, the pressure is on to look for the best deal when they do come to buy.

Companies with a large investment in information technology (IT) have to run fast just to stand still. Most organisations cope by putting pressure on their existing suppliers to offer discounts, usually playing off one against

neurial heads of IT have found an nswer to their expansion needs n the "back-door" companies that supply equipment trans-ported from the US. Favourable exchange rates combined with lower US prices mean that European firms are increasingly pean threas are increasingly looking to the US for a cheap supply of computer equipment. Since February 1985 when the pound was at little more than \$1, it has climbed to the high \$1.80s. Although the dollar has recently begun to recover, there are still significant savings to be made. The most fruitful fields are the markets for computers from International Business Machines (IBM) and Digital Equipment Cor-poration (DEC), where there are established brokers and leasing

and maintenance companies.

Red Gallagher, UK general
manager of Comdisco, a large computer broker in Europe and the US, says cross-border trading is by no means a new phenome-non. But he adds that in the last nine months trade has been very strong, as six figure savings can be made on large mainframe computers, paid for in the US.

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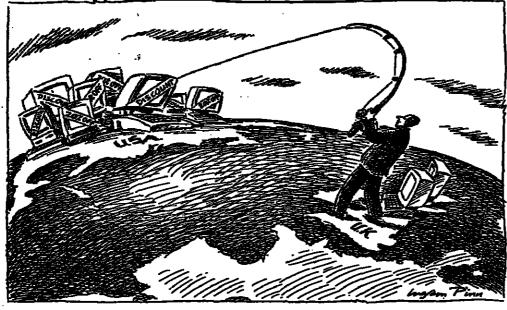
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taken into account, that can still be subject to delays - transpor-mean a saving of between 10 and tation, conversion and installa-

Some of the third party leasing companies claim that, depending on the make and model of computer, some organisations have. saved between 25 and 30 per cent. Derek Lamb, UK managing director of Bell Atlantic Financial, the computer leasing and broking arm of the US Bell operating company, says there are two main benefits.

The first is price. Three factors contribute to this: a lower purwidely used by leasing companies
chase price, the favourable to convert IBM maintrames from
exchange rate and the tax advantages given to American compa60 bertz to 415 volts and 50 hertz nies when they buy computer for use in the UK. He dismiss

The second is faster delivery. The US has a larger market for practice. But it is international computer equipment than trade and there is not much they Europe, which means there are can do about it."



Fishing for bargains in a cheap dollar pool

Patricia Tehan reports on the brisk trade in computers paid for in the US to take advantage of favourable exchange rates

more machines available. computers, paid for in the US.

Gallagher warns that this could stop abruptly if the dollar rose significantly against the pound. But, at the moment, the list price for IBM mainframe computers in the US is 29 per cent cheaper than in the UK.

Transport costs, import duty, conversion and installation all into account, that can still before the computers in the account for a better deal. "It is the multinational companies are the plumge and look around for a better deal. "It is the multinational companies in recent years, 40 of them in the last year, mainly IBM 3990 mainframes or smaller and the multinational companies are them in the last year, mainly IBM 3990 mainframes. His firm concentrates on machines large enough to need water cooling. "If you convert a 3990, that is not importation. The process may be subject to delays — transport. IBM and DEC tion times often run into eight or

distributors in nine weeks. And if you do not buy locally you also lose your the UK have been machine warranty from the manufacturer. hit by brokers Many a wary computer manager will wag a finger and warn buying equipment that the computer manufacturer will refuse to carry out mainte-nance if the computer is not concheaply in the US

Dan O'Keefe is chairman of grocer on the street corner, it is centre." Enterprise Computers, which is destined for a large commercial

Computer managers have had mixed experiences. Kenny Clements is systems development pany last upgraded its IBM Systems anager at London Transport tem 38 minicomputer, the new Advertising. He asked for quotes from several IBM System 36 mini-the memory upgrade to the procomputer suppliers before he cessor was fine, but Binder Hamdecided to use the broking side of lyn "had an awful lot of probfears and says: "IBM is not entirely enthusiastic about this

0'Keefe's company has con- Asystel to ship over a machine

verted 300 water-cooled main-frames in recent years, 40 of them in the last year, mainly for the US machine, getting 20 for the US machine, getting 20 per cent off list price in the UK, and installation went smoothly. "From the time I placed the order, it was five weeks to installation." IBM was offering the same installation time and a 6 per cent discount.

An IBM engineer came to give the machine a once over and the System 38 minicomputer. He accepted it for a maintenance says IBM is always looking to contract. Although Clements lost balance prices across the world the warranty, maintenance costs and "cross-border shipping is an were tiny compared with the indication that something is

He would repeat the exercise, again using a third party company to ship over a computer from the US, rather than having a go himself. "I have no experi-

trouble-free ride. Paul Stevens, systems manager for Binder Hamlyn, says that when the com-

lems" and waited morths for the device controllers from peripher-

als company Memorex. Once bitten twice shy? By no means. Binder Hamlyn is again looking to upgrade its System 38 site in August and has already started to look around for compa-nies which bring in machines from the US.

Dave Thomas, brokerage manager at Asystel, says the savings remain attractive. When Asystel calculates a contract with a com-puter manager, it takes into account the costs of buying in the US, transport, import duty, conversion and installation. The company sometimes also arranges to pay maintenance to IBM for the first year to replace lost warranty, and still makes a healthy profit.

nates a 20 per cent saving on a top-of-the-range IBM 3090 600E mainframe costing \$11m (£6m) in the US. According to him, the same machine costs almost \$11m in the UK, but more conservative estimates put it at between £8m and £9m. Neverthebetween 2nm and 2mm. Neverthe-less this is an impressive saving. Colin Cook, managing director of DPCE Products, which trans-ports IBM and DEC machines from the US, says the savings are more noticeable in DEC proces-sors at the moment. He also comments that the DEC trade is bris-

her and that interest is strong in multiple DEC Microvaxes. Both IBM and DEC, although reluctant to discuss the threat from across the Atlantic, admit that they have problems with back-door imports. Both companies' distributors in the UK com plain that they have been hit by the activity of brokers buying the equipment cheaply in the US to sell in the UK and the rest of Europe. IBM has cut prices in the UK to help put a stop to the

stream of machines coming in.

A spokesman for the company confirms that equipment in the US is usually cheaper and that IBM has been bringing down prices in the UK, particularly for

WIONE A DEC spokesman says: "We review our pricing policy in the light of prevailing business conditions. One of the factors that we do take into account is obviously ence of importing computers, I currency fluctuations, but it is just run a small data processing not the only one." The company is aware of cross-border trading Others have not had such a and "constantly monitors the sit

gap closes between pricing in Europe and the US, this behind-the-scenes trading will not go



Transferred calls that cost less

THORN Ericsson, of the UK, is offering an automatic call dis-tribution (ACD) system that enables some operators to be located away from city centres, so cutting costs.

ACD is often used by compa-

nies that have to deal with large numbers of enquiry calls from the public. The calls are automatically fed to the operaantomatically led to the opera-tor who has been free the lon-gest or, if all are busy, calls are put in a queue and fed to the first free operator. The sys-tem gives the public the best service with the fewest opera-tors.

Many organisations that use ACD, however, have their systems in expensive city centres. Thorn Ericsson has devised software for its ASDP 162 system which will auto-matically divert the calls to remote, lower cost locations. An early user is British Tele-com International, which is now able to route interna-

to operators in Grimsby, Hum-berside. Two area electricity boards in the UK are also using the

tional directory inquiry calls from an ASDP 162 in London

Shrink to fit in an instant

PLASTIC tubing and sleeves, which will shrink to half their size when dipped momentarily into boiling water, are offered by Raychem, the US-based

materials company. Raychem has made heatshrink products for some time, but the new item, called Ther-mofit LSTT, performs at a lower temperature than earlier materials. All that is needed is a container of water held at

boiling point.

An important use will be in the electrical and electronic industries, where insulating sleeves have to fit snugly on to the metal ends of wires. An LSTT sleeve, positioned over the crimped-on or soldered connector, can be shrunk to fit in the time it takes to dip the

ssembly in the water. Raychem believes the rapid tion of the new material will make it attractive in many production applications calling for insulation or surface pro

The material is supplied on spools in diameters from 1.6mm to 38mm. When shrunk, it retains full mechanical, electrical and chemical resistance properties at temperatures up to 105 deg C.

Identifying bleeps by numbers

PAGERS, a boon to employee on the move within an organi-sation, now emit more than one bleep pattern with the object of telling the user to telephone a specific person or carry out some pre-arranged action. The problem lies in remembering what the various

The latest unit from Air Call Communications of London communications of London has a numerical display that clarifies the source of each tone pattern and indicates the priority that should be attached to each call. Up to eight alerts can be identified.

Designed for use on Air Call's VHF paging network, the unit has a memory which call's VHF paging network, the unit has a memory which stores paging calls until they are acknowledged and deleted. Silent operation, for use in meetings, replaces the bleep with a flashing light.

Concord between computers

CONCORD Communications of Mariboro, Massachusetts, has introduced a communications controller which allows the new IBM Personal System 2 (PS/2) computer to be connected into MAP networks. The PS/2 is a personal computer (PC) which supersedes the IBM PC models.

MAP, which stands for manufacturing automation proto-col, is a networking software technology, initiated by Gen-eral Motors, which allows computer-based equipment from any maker to be connected together in manufacturing

GM took the lead in prome ting such software, in advance of decisions by the interna-tional standards bodies, when it found that its factories were becoming a nightmare of dissimilar systems – machine

similar systems — machine tools, robots, assembly machines — that could not "talk to each other.

Concord's product is called MAPware 1400. It is priced at \$1,985 and is claimed to provide a full solution at all of the software layers involved in the software layers involved in the

Communication about qualification

IN THE UK, a survey carried out by the National Computing Centre (NCC) has revealed a requirement for more than 5,000 new information net-working staff over the next five years. It also confirmed that communications was

that communications was emerging as one of the fastest growing job categories (around 13 per cent per annum).

To try to cater for this expansion, the Institution of Electrical Engineers (IEE), the Telecommunications Users' Association (TUA) and the NCC are to investigate the demand for a National Certificate in Communications. Although there are already national certificates in many technology subjects, none con-

The three organisations plan a meeting on June 16 in Lon-dou, involving government, industry and education, with a view to setting up a working

An advocate of commercial 'esprit'

THE EUROPEAN strategic programme for research and development in information technology, Esprit, should be seeking a better understanding of how to transfer technology from the academic world to the commercial one, as well as striving for technological breakthroughs. That is the opinion of John Diebold, chair-man of The Diebold Group, New York management consul-

"As I understand it, one of the goals of Esprit is to ensure strong European positions in relation to Asian and US developments in information tech-nology. If this objective is to be achieved, substantial effort must be put into understand-ing the transition mechanisms that bring innovations from laboratories to commercial markets, Diebold told a Esprit.

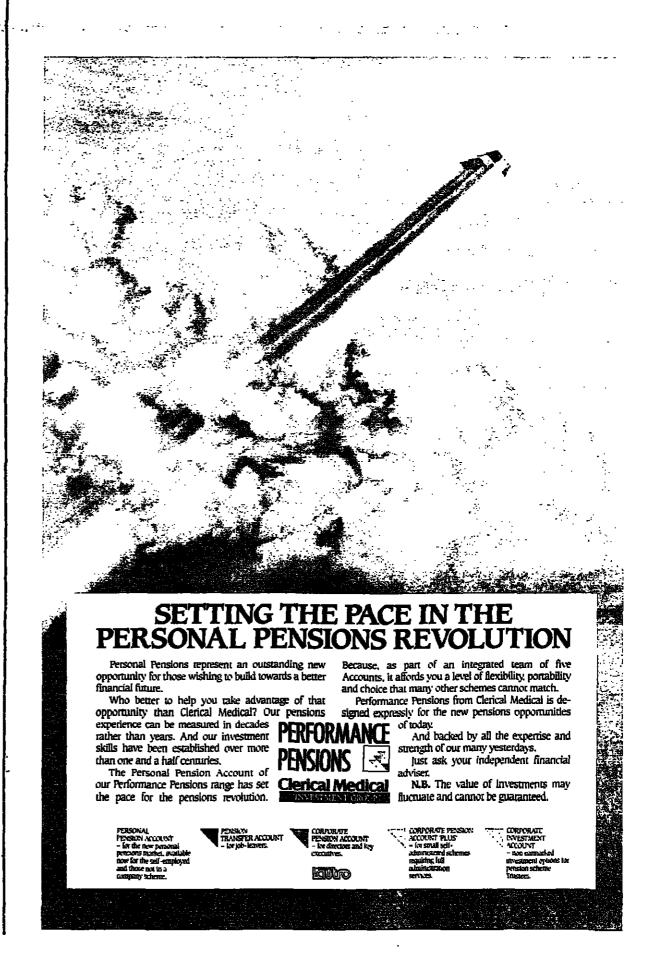
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'adult' soft drinks. The reasons for this market shift are all wrapped up in the current emphasis on strong local incompanion grew our and this combination grew our earnings per share by 33% last year". MANAGEMENT PROVEN IN THE MARKET PLACE. Canal Scheeper MANAGEMENT PROVEN IN THE MARKET PLACE.

That's dry as opposed to sweet; light and sophisticated as opposed to fizzy. In short,

healthy living: cutting down on alcohol, cutting down on sugar etc. (but, for a soft drinks company with its top screwed on, no reason for cutting down on profits). Cadbury Schweppes simply repositioned existing brands that matched changing tastes and introduced a totally new dry range.

Uncommon Marketing.

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Two highly successful examples of this strategy, developed by our local management and franchised bottlers, are Schweppes Tonic Water and Canada Dry. These classic old mixers are now seen as classic new straight drinks in many parts of Europe. In fact the Spanish market now consumes more Tonic than the British.

New product development has also been important. Sophisticated palates in France and Italy were specially catered for by the introduction of two subtly different, dry ranges. Ranges that have become so de rigeur, that our market share has increased significantly.

Uncommon Profits.

Increased manufacturing efficiency has freed funds for higher marketing investment. As a result, as tastes have grown up in continental Europe, so have beverages profits. Last year, through marketing efforts and the acquisition of Canada Dry, they exceeded £31m, a 59% increase on the previous year. And with the preparation complete and ready for 1992, the taste can only get sweeter (unlike our products).

Pilkington

Integrating with the big league

Peter Marsh on the UK glass maker's strategy for its opthalmic acquisitions in the US

from ingrained, a product of Pilk- not leave the assimilation pro-

ington entering this field only cess to natural forces." The pur-

THE £361m purchase last September by Pilkington, the British glass maker, of two big US ophthalmic companies was a coup for the UK group - and also a

After buying the concerns from Revion, the US healthcare com-pany, Pilkington doubled its annual vision products sales to

This catapulted the company from its position in the minor league in this £2bn-a-year business to one of the top four players worldwide. The business includes production of spectacle and contact lenses, together with related activities such as lensessing equipment and lens-ning chemicals.

The move fitted in with Pilk-ington's general preoccupation with diversifying into high-value areas related to new technology which are outside its traditional glass-making remit. The com-pany wants about a third of its turnover to come from the newer areas by the mid-1990s.

Eye-correction goods add up to a fast-growing industry linked, in many parts of the world, to an increased number of people who are diagnosed as having eye defects. Increased consumer pros-perity also means that more people, in developed countries at least, have the cash to pay for the. products, which have a strong

There is, furthermore, a great opportunity to feed into it new technical ideas, in areas like materials and processing technology, to make available better or

neaper products. The Revion deal gave Pilkington a particularly strong position in the US, the world's biggest market for vision products. In that country, the company is now both spectacle lenses and contact lenses, the respective leaders Essilor of France and Bausch & Lomb, a US concern. Other leading competitors in vision products include Ciba-Geigy of Switzerland, SmithKline Beckman of the US and West

Germany's Zeiss. Last September's events also gave Pilkington a few headaches. The problem was how to inte-grate the mostly US-based activi-ties of its two new subsidiaries — Barnes-Hind, a maker of lenses chemicals, and Coburn, which makes lens production Pilkington was careful to put conscious that he was taking the systems — into Pilkington's on each committee equal num-company into a new area.

existing vision products activities bers of people from the old and which were broadly scattered new parts of Visioncare. "We had

also had to win the co-operation of 2,700 new employees added to ton employee who trained as an emerged for Visioncare, Roberts the 4,300 previously on the payaccountant and who prior to last oversees a division of Pilkington roll in the area of vision prodyear's acquisitions had been in which has its titular base in St

The group's response to the challenge was radical. Rather than attempt to graft the new companies on to its existing management structure, it started from scratch, creating a new sub-sidiary, Pilkington Visioncare, to oversee all its eye correction

In this exercise, Pilkington was

relatively recently.

The company's first real toe-

hold had been in 1979, when it purchased Sola, an Australian maker of plastic lenses for specta-

cles. This was followed three

years ago by the \$60m acquisition of the ophthalmics activities of

Syntex, a US healthcare concern,

which took Pilkington into contact lenses for the first time.

enlarged company would operate, Pilkington set up immediately after buying the Revion compa-

nies a series of committees to

consider in depth the various

aspects of the business

To sort out how the newly

Roberts is a long-time Pilking-

year's acquisitions had been in charge of the company's general ophthalmic businesses - which tional home of comprise both Visioncare and thalmics work. Comprise both Visioncare and the Chance Pilkington, a smaller subsidiary concerned with special glass products for items such as military equipment.

After the Revion purchases, Menlo Park, California, reflecting military equipment.

After the Revlon purchases,
Roberts had a frantic six months

the new structure, which is now probably helped by the fact that complete. He justifies the strict John Heine, Visioncare's presi-work practices at its existing eye control of the procedure on the dent and operating head, who correction subsidiary were far grounds that Pilkington "could had previously been in charge of

Pilkington did not embark on this route entirely on its own. It around the world.

to convince them (the new called in a team from Bain, the Pilkington had to ensure a employees) of our seriousness management consultants, to good fit between its old and new and credibility," says David Rob- advise it on the integration. The activities, cutting out overlap. It erts, chief executive of Pilkington company is not willing to elabohad to decide on which brand Visioncare. "I think we did this
names it would use and where to and in the end we found tremenconcentrate manufacturing. It does co-operation and goodwill." In the structure that ultimately

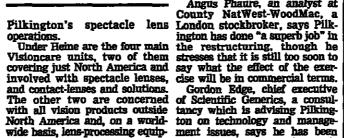
which has its titular base in St Asaph, North Wales - the tradi-

tional home of the group's oph-

Roberts had a frantic six months the fact that 70 per cent of the supervising the decisions over company's sales are in the US.

Reporting directly to Roberts is

The group's response to the challenge was radical. Rather than attempt to graft the new companies on to its existing management structure it started from scratch, creating a new subsidiary



the integration process right.

Pilkington has had plenty of experience of buying overseas companies; the purchase in 1986 of Libbey-Owens-Ford, the US glass-maker, which made Pilking-maker which made Pilking-maker which made purchase over the purchase of the process of the process of the process of the purchase of the process of the process of the purchase of the process of the purchase of the A vital part of the decisionfor both spectacle and contact on the operation and has been lenses, will apply to both sets of very sensitive to the role of the products, it will eventually be new people it has taken on I used only for spectacles. That would like to think the business will provide a neat marketing will be a success."



division between the two types of items, with Pilkington's contact lenses ultimately being sold only under the Barnes-Hind label. Equally important was where

to concentrate contact lens production, a highly sophisticated process where (in contrast to the making of spectacle lenses, which in Pilkington's case takes place in several factories around the world) it makes sense to site

most resources in a single centre. Pilkington nitimately decided to shut its existing contact lens factory in Phoenix, Arizona, which was run under Sola man-agement, transferring production to a sparklingly modern plant in San Diego, which had been part of Barnes-Hind. The transfer should be complete by the end of the year, with about 600 jobs being lost in the process.

Pilkington is well aware that completing the restructuring is only the first of the battles that Visioncare has to fight; it still has to prove that it can turn out good commercial results. Observers have, however, been generally impressed with what the group has done so far.

Angus Phaure, an analyst at County NatWest-WoodMac, a London stockbroker, says Pilk-

ton on technology and manage ment issues, says he has been favourably struck at Pilkington's willingness to devolve managemaking that went into the new ment responsibilities around the structure concerned brand newly enlarged eye correction names. While for the time being group. "Pilkington has not imposed a hierarchial structure Organisational structure

Focus on the 'middleman'

William Dullforce on a key role in corporate market awareness

more responsive to the market. But Derek Abell, professor of business administration at the IMEDS management training At this point the intelligence school in Lausanne, says too fre-function was added to the mix.

His research and consultancy work have led him to the belief that "middlemen" have a vital role to play in bringing about this fundamental change in organisational structure and in keeping a business sensitive to

Connection

for market-driven organisations. Abell explains in a recent IMEDE paper*. He is needed to maintain and keep alive the connection sales and marketing.

the company and function as the other internal functions of a orchestrators."

Marketing managers are usuwith the customers and are orientated towards the competitive forces in the market. Unfortunately, very few mar-

GOOD MANAGEMENTS, current firms, Abell argues, they are prewisdom says, ensure that their occupied with two other imporcompanies are market-driven, tant tasks, selling and analysing,
market-orientated or at the very least organised to receive signals from the market-place.

Abell traces the amplification of the marketing and analysing.

Autopsies on busted companies of the marketing role in manage-or consultants prescriptions for ment since the beginning of the ailing concerns time and again distinguish the failure of manage-the title "sales director". Its

facturing or distribution. Strategies were aimed at stimulating end-user demand.

quently they do not know how to initially focused on customer change the basic management behaviour, market researchers behaviour, market researchers tended to be analysts rather than managers. They seldom collect the intelligence that is really required and they almost never adequately communicate it to the people who most need to know,"

Abell criticises.
In recent years marketing has taken another big step forward by moving into competitive and industry analysis. But in Abell's view, adding these new analyti-A middleman is an imperative cal tools is not enough for companies wanting to change their basic drive.

While many firms have used them to make strategic analyses between the market-place and all and set new directives, few have the internal functions of an put in place the organisational enterprise - manufacturing, mechanism for making the whole research and development, company responsive to its maradministration, finance and even ket.

Paradoxically, Abell finds, However, to perform effectively, a middleman has to possess greater organisational clout they are often more poorly preand broader talents than those needed by conventional marketing managers.

Transformation, April 11108, although marketing managers are better equipped analytically, sess greater organisational clout they are often more poorly prepared for acting as middlemen. Corporate executives' idea of getting managers. ing managers.

Companies fail to make the graduates "started in sales" is required change of course, fine for exposing young managacording to Abell, because they ers to actual buyers, Abell says, but misses the essential point do not have marketing people but misses the essential point — who "understand manufacturing, a marketing manager acting as can go to the research and devel-middleman must also learn how opment manager and talk priori-ties, can raise alertness within research and development and

company.

Three elements must be in ally better equipped to act as place for a company to become middlemen, Abell acknowledges, market driven in Abell's view. Its because they are in close contact organisational structure must reflect, and if possible lead, the changing segmentation of the market place.

Second, it must develop pro-

"much broader perspectives and leadership abilities than is typi-

cally the case today."

Abell cites the case of a chemiments focused on product or scope was first broadened to cals company which correctly technology to understand the include pricing, product policy, read market signals as indicating changing demands of their cusmarketing managers were businesses is familiar; forced to look further "down bulk to speciality chemicals. It forced to look further "down bulk to speciality chemicals. It forced to look further "down bulk to speciality chemicals. It forced to look further "down bulk to speciality chemicals. It forced to look further "down bulk to speciality chemicals. It realised to state that it had to adapt its heavily centralised management for the next level of men." segmented market, to allow more decisions to be taken at lower

It recognised that it needed good, all-round managers at the market segment level and even saw that marketing staff had to end, however, it had to back off its plan to move strongly into speciality chemicals simply because it could not find enough people with the right manage-

Understanding

In practice, Abell suggests, companies that are not yet market driven probably need "to make a grand splash to get the whole thing rolling." A group exercise, spearheaded by general management or an emergent middleman, will inject into staff a universally shared understanding of the market place, restruc ture the organisation, set new priorities for each function and define new working relation-

This one-time effort should leave in place "new process orchestrated by a middleman" Failure to carry through this redirection thoroughly or to involve all members of the organisation in it can jeopardise any later efforts to run a marketdriven company, Abell warns. In the final analysis, however

everything depends on the quality of the management involved. Career development along specialised lines will often fail to produce a middleman. Careful selec tion, a broader than normal pattern of managerial assignments and a planned period of management development are the only ways to hone the kinds of credentials required. Abell concludes.

keting people see themselves per-forming such a part. In most manager to function as the mid-CH-1001 Lausanne, Switzerland.

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chase of the Revion companies

had been a vital part of Pilking-

ton's grand strategy to move

more into high-tech areas; it had

therefore been important to get

ton the world's biggest glass com-pany, is a good example. But in these cases the company

attempted nothing like as radical

a restructuring to group the new concern into its existing busi-

ness, and Roberts says he was

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NOTICE OF GENERAL MEETING

Motice is hereby given that a general meeting of orderny starebolders of Lebowa Platinum. Mines Limited will be held in the Bourd Room. Consolidated Suiting, corner Fox and Harrison Streets, Johannesburg on Monday, 4 July, 1985 at 11500 to consider and, if deemed is, to pass the undermentioned reanisations in the mismoer indicated.

"That the action of the board of directors in entering into the further agreement dated 30 March 1985 between the company and the self-governing territory of Lebous and the Lebous Development Corporation Limited and Residentury Platinum Hotelings Limited and Residentury Platinum Hinnes Limited and Policiamenus Platinums Limited and Magandaphoek Platinum (Proprietary) Limited be and the same is hereby approved and ratified".

MERICLUTION 2 as a Special Resolution in turns of the Companies Act 1973, as amended: "That Article 84 of the articles of sesociation of the company be amended by the deletion line 5 thereof of the word "seven" and the substitution (herofor of the word "siz." " The region for the amendment is to give compliance to an undertaking required by The Stock Exchange, London at the time of the liming of the company's phares on that exchange.

The effect of the assendment is to reduce from seven days before an artical general meeting to six days before such meeting the last date upon which a notice, given by a member duly qualified to be present and to vote at such meeting of his intention to propose a person for election as a director of the company, may be lodged at the registered office or London office of the company.

Any member of the company is entitled to appoint a proxy to strend, speak and vote in his sead. A proxy need not be a member of the company. The share transfer books and register of members will be closed from 28 June to 4 July 1968, both dates lockslive.

A circular has been posted to members in connection with the business of the meeting. By order of the board, JOHANNESBURG CONSCUDATED INVESTMENT COMPANY, LIMITED Secretaries for R B Appleton

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED (Incorporated in the Republic of South Africa) Registration No. 01 05309 06 NOTICE TO HOLDERS OF ORDINARY SHARE WARRANTS TO BEARER PAYMENT OF COUPON NO. 110

With reference to the notice of declaration of Court No. 110
2 June 1988, the following information is published for the guidance of holders of
share warrants to bearer.
The dividend of 1625 cents per share was declared in South African corrency. South
African non-resident shareholders' tax at 21.77938 cents per share will be deducted
from the dividend psyable in respect of all share warrant coupons leaving a net
dividend of 140.72092 cents per share.
The dividend on bearer shares will be paid on or giber 2 August 1988 against
surrender of coupon No. 110 detached from share warrants to bearer as under;
(a) At the offices of the following continental paying agents:

Banque Bruxelles Lämbert

Generale de Banque 3 Montagne du Part

Union Bank of Switzerland Bahnholstrası 8021 Zurich

Benque Generale du Luxembourg S.A. 14 rue Aldringen 1118 Luxembourg

Payment in respect of coupons lodged at the office of a continental paying agent will be made in South African currency to an authorised dealer in exchange in the Republic of South African normalized by the continental paying agent. Instructions regarding disposed of the proceeds of the payment so made can only be given to such authorised dealer by the continental paying agent contemned.

(b) At the Securities Department of Hill Samuel & Co. Limited, 45 Beach Street, London EGZP 2J. Unless persons depositing caupons at such office request, payment in rand to an address in the Republic of South Africa, payment will be made in United (Ingdom currency either:

(i) in respect of coupons lodged on or prior to 25 July 1985 at the United Kingdom currency equivalent of the rand currency values of their dividend on 20 June 1988; or lodged after 25 July 1985 at the provailing rate of exchange on the day the proceeds are remitted, through an authorised dealer in exchange in Johannesburg to the Securities Department of Hill Samuel & Co. Limited.

Coupons wast be left for at least four clear days for examination and may be presented any weating (Saturday excepted) between the hours of 10.00 s.m. and 3.00 p.m.

p.m.
United Kingdom income tax will be deducted from payments to any person in the United Kingdom in respect of coupons depositied at the Securities Department of Hill Samuel E Co. Limited, unless such coupons are accompanied by intend Revenue non-residence declaration forms. Where such deduction is made, the net amount of the dividend will be the United Kingdom currency equivalent of 121,8750 cents per share in terms of sub paragraph (b) shows arrived as to follows:

South African Currency cants Place

Amount of dividend declared.

Least South African constituted

Less: U.K. Income tax at 11.5973%

<u>gg</u>e

For and on behalf of AMBLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

The Company has been requested by the Commissioners of triand Revenue to state. Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African non-resident shareholders' tax applicable to the dividend is allowable as a credit against the United Kingdom tax payable in respect of the dividend. The deduction of tax at the reduced rate of 11.5973% instead of the basic rate of 25% represents an allowance of credit at the rate of 13.4027%.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN

EDR holders are informed that Konatinu Ltd has paid a dividend to holders of record December 31, 1957. The cash dividend payethle in Yen 4 per Common Stock of Yen 50.00 per share. Pursuant to the Deposit Agreement the Depositary has converted the set amount, either deduction of stepases withholding toxes, into United States Doublers. EDR holders may now present Coupou No. 37 for payment.

Payment of the dividend with a 15% withholding tax is subject to receipt by the Depositary of the Appet of a vettic stituant of residence in a Country having a tex treaty or agreement with Japan giving the benefit of the reduced withholding rate. Countries currently having such arrangements are as follows:

A.T. of Egypt

F.R. of Germany

Mainwale

Australia

PAYMENT OF INTEREST - CLOSING OF REGISTERS 12.7 PER CENT UNSECURED SUBORDINATED COMPILSORSLY CONVERTIBLE DEBENTURES

NOTICE IS HEREBY GIVEN that interest for the period ending 30 June 1968 will be payable to holders of the abovenessioned dependures registered in the books of the company at the abovenemones dependents regularistic in the mount of the community is and use on 1 July 1985.

If debenture holders will be closed from 2 July 1986 to 17 July 1980, both days

interest will be psychia in the currency of the Republic of South Africa. Psymbols from the United Kingdom office will be made in United Kingdom office will be made in United Kingdom of the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling on 18 July 1988 or the first day thereafter on which a rate of exchange ruling or 18 July 1988 or the first day thereafter on the first day the first day thereafter on the first day thereafter on the first day thereafter on the first day the Chagues daied 31 August 1966 will be posted by the transfer secretaries on 24 August 1966

By order of the board per pro. GENCOR (U.K.) LIMITED London Secretaries L.J. Belman

SOLVAY & CIE The General Meeting of 6th June, 1988, approved the distribution for the financial

Into Contral Meeting on the Jime. 1986, approved the distribution for the financial year 1987 of a net dividend of BF 370 on bearer shares. The final develond of BF 300 will be payable by BF draft, by transfer to a BF account or, in sterling at bankers sight beying rate for Belgian France on the day of presentation at the option of the holder assumt memoration of common or 40 at

Between the hours of 10 am and 2 pm on or after Tagathy 21st June 1988. UK tax will be deducted from the net dividend attless lodgements are necompanied by the necessary affidavic. Payment can be made only to persons residing outside the Belgo-Lucenbourg Customs Union. Shareholders should note that under the terms of the UK/Belgian double taxation convention, Solvey shareholders resident in the UK are eligible, upon submutting a duty completed from 27th 6 by to partial reinformement of Belgian withholding tax equal to 13.33 pet of the net dividend.

Legal Notices

Ma. 003200 of 1968 BE THE HIGH COURT OF JUSTICE CHANCERY DIVISION IN THE MATTER OF BRITISH UND ENGREERING LINETED

AND IN THE MATTER OF THE COMPANIES ACT 1985

Notice is hereby given that a Petition was on the 27th day of May 1985 presented to her Majesty's High Court of Joseph for the confirmation of the reduction of the capital of the store-remod company from \$13,296,395 to \$76,602, as to company from C13,286,386 to L76,602, 68 to C7,853,565.22 by cancelling calphial paid up or credited as said up on the issued Preferred Critinary Shares of E1 each to the extent of E1 per share, by cancelling and extinguishing attogether 1,939,806 of the unbiseded Preferred Ordinary Shares of E1 each and 36,285 unbiseded Ordinary Shares of £1 each and by reducing the comines value of 82 of the unisessed Preferred Ordinary Shares to 19.

And notice is turther given that the said Petition is directed to be heard at the Royal Courts of Justice, Strand, London, WG2A 2LL, on Monday the 27th day of June, 1989.

Any creditor or shereholder of the said Com-pany desiring to oppose the making of an order for the confirmation of the said reduction of capital should appear at the time of hearing in person or by Counsel for that purpose. A copy of the said Petition will be furnished to any such person requiring the same by the andermentioned Solicitors on payment of the regulated charge for the same.

Wateon, Farley & Williams of Minories House. 2.5 Minories, London, ECON 15.J.

London Transfer Secretaries Hill Samuel Registrars Limited

PROVINCE OF NEWFOUNDLAND (CANADA) U.S. DOLLARS 50,000,000 9%%

Purpused to the provisions of the Purchase Fund, notice is hereby given to Bondhold ere that no Bonds have been purchased for the Purchase Fund during the twelve

41.543,000 PROVINCE OF NEWFOUNDLAND (CANADA)

No 003017 of 1988 IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION IN THE MATTER of Bunzi ple IN THE MATTER of THE COMPANIES ACT 1985

NOTICE IS HEREBY GIVEN that a Polition was on the 18th May 1988 presented to Her Majos-sy's High Court of Justice for the Confirmation of the carecitation of the Share Premium Account of the seld Company.

AND NOTICE IS FURTHER GIVEN that the said Publich is directed to be heard before the Hon-ourable Mr Justice Warner at the Royal Courts of Justice, Strand, London WCZA 221. on Mon-day the 20th day of June 1988.

Any Creditor or Shareholder of the said Con pary desiring its oppose the making of an Order for the confirmation of the said cancellation of Share Pransism account stiguid appear at the time of haaring in person or by Counsel for that purpose.

A copy of the said Petition will be turnished to any paraton requiring the same by the undermentioned Solicitors on payment of the regulated charge for the same.

Dated this 10th day of June 1988. FRESHFIELDS (TrigPC2/23434), Walden House, 17-24 Cathedra; Place, London, EC4M 7JA, Solicitors for the above-named Company.

ADMIRAL ENERGY GROUP LIMITED IN RECEIVERSHIP

Christopher John Barlow and Robert William Strubull Joint Administrative Receivers Office Holder No(s) 1090 and 5523

Cork Gully 68 Queen Squere Bristof BS1 4JP.

 $\mathbb{E}^{L_{p_{i}},p_{i}}$

In Shorte :

Contact (in confidence) Geoffrey Abbott

Gommercal-

Telephone: 01-499 6291.

International Property

Two Central Florida Holiday Inns.

P.O.Box 1038/Tampa, FL33601 USA



Pranz Grundheber. Le Nozre di Figaro is a co-production, with the Salzburg Mozartsum. Die Meustersinger Von Nilmberg stars Bernd Weikl, Helen Donath, Kurt Moll Gottfried Hornik and Klaus Kurig. Il Barbiere di Siviglia rounda off the week. (35151).

Cologne. Opera. Tannhäuser stars Spas Wenkoff, brilliant in the title role. Ein Sommernschtsraum features Paul Raswood. Teresa Ringhobz and Harald Stamm. Ariadne and Narco brings Daphne Evangelate. Nadine Socunde and Scott Reevo together. John Pritchard conducts a cast which includes Barbara Daniels. Robert Bork and Lando Bartolini in Manon Lescaut. (20761).

Frankfurt. Oper. This week's highlight is Tosca, with Galina Savova, Luis Lima and Ingvar Winell. Der Wildschutz is a well done repertuire performance. (2521).

Minchen, Beyerische Starboper. Die Sache Makropules stars Hildegard Behrens, Astrict Varnay and Kanneth Riegel. Polanski's production of Rigoletto has Patricia Wise and Juan Pons in the principal role. Also in repettory, Un Balio in Mascherz with Suzanne Murphy, Eva Randova and Wolfgang Brendel, and Daphne with Marjana Lipovaek, Julia Conwell and Kurt Moli. (21851).

Boan, Opera. Kurt Rydl repeats his much praised performance in the title role in Don Pasquale. Norma is revived with Mara Zampierei, out. standing in the title role. Der Liebestrank is a well done Gian Cario del Monaco production.

ITALY



MUSIC

Ruggiero Ricci (violin), Japan Phil-harmonic Orchestra, conducted by Jiri Belohlavek, Mozart, Bach, Men-delssohn, Suntory Hall (Wed). (224

LONDON Philharmonia Orchestra conducted by Kurt Sandarling with Howard Shel-ley, piano. Mozart and Shostakov-ich. Royal Festival Hall (Mon). (928

3191).
Gity of London Sinfonia with John Wallace, trumpet. Handel, Albinoni, Mozart and Haydn. Barbican Hall (Wed). (638 8891).
Academy of St. Martin-in-the-Fields and chorus conducted by Sir Neville Marriner. Handel, Tippett and Mozart. Royal Festival Hall (Thur).
London Mozart Players conducted by Jame Glover with Stephen Bishop Kovacevich, piano. Dittersdorf, Mozart, Patterson and Haydn. Queen Elizabeth Hall (Thur). 628 3191).

kasy Virtue (Garrick). Transfer of the King's Head revival of early Noel Coward: same period but lesser vin-tage than Hay Fever, but worth see-ing. (379 5107). South Pacific (Prince of Wales). Aver-

age, traditional revival of the great Rodgers and Hammerstein musical, with Germa Craven failing to wash the barttonal Emile Belcourt out of

the bartonal Emile Belcourt out of her hair.

The Phantona of the Opera (Her Maj-esty's). Spectacular, emotionally nourishing musical by Andrew Lloyd Webber. (839 2244, credit cards 379 6131240 7200).

Stunning revival, directed by Mike Ockrent and decisioned by Maria Blumpon, of

Theatre

LONDON

Cat on a Hot Tin Roof (Lyttelton), ian Charleson and Lindsay Duncan lead this white hot National Theatre revival of Tennessee Williams's play directed by Morain Boards, with a Vengeance (Strand). Back with a Vengeance (Strand). Barry Humphries, indisputably the outstanding vandevillian of the age, with a Vengeance (Strand). Barry Humphries, indisputably the outstanding vandevillian of the age, has extended his triumphant London season to July 9. Dame Edna Everage has now earned full immunity to good taste, while the bibulous diplomat Sir Les Patterson touches new beights of degradation. (836 2660/4143). Happood (Aldwych). New Tom Stoppard mires expionage, romance and higher physics in a splendidy tant and clever entertainment. Felicity Skendal is the eponymous intelli-

TOKYO Seiji Ozawa conducts the New Japan Philharmonic Orchestra playing Mozart and Beethoven. Show Women's University Hitomi Memo-

rial Hall, near Sangenjaya (Mon); Orff's Carmina Burana, Tokyo Bunka Kalkan (Wed). (499 1531).

6200). Starlight Express (Gershwin). Those who saw the original at the Victoria

gence agent, Roger Rees and Nigel Hawthorne in elegant support. Dou-ble meanings and double identities

NEW YORK

Trevor Num's production of T.S. Eliot's children's poetry set to trendy music is visually startling and choreographically feline. (239

6262). A Chorus Line (Shubert). The longest

und. (836 6404, credit cards 379

Startskapelle Berlin, conducted by Otmar Suitner. Mozart, Beethoven, Brahms (Mon), Mozart, Beethoven, Weber (Tue). Suntory Hall (235 Hermann Prey recital, with Leonard Hokanson, piano. Théatre de L'Ath-enée (Mon). (42.30.15.16). Ensemble Orchestral de Paris, con-ducted by Emanuel Krivine, with Augustin Dumay, violin, playing Mozart. Salle Pleyel (Tue). '45.53.873). (45.63.88.78). Yo-Yo Ma, cello, Em

in London will barely recognise its transatiantic incarnation. The skat-ers do not have to go round the whole theatre but do get good exer-cise on the spruced-up stage with new bridges and American scenery to distract from the hackneyed pop music and trainment in silly place Fences (46th Street). Angust Wilson hits a home-run, this year's Pulitzer Prize, with a powerful tale of an old baseball player raising a family in an industrial city in the 1950s, trying to improve their lot but dogged by his own fallings. (221 1211).

Cats (Winter Garden). Still a sell-out, Trevor Num's production of T.S. music and tramped-up, silly plot. (586 6510).

(586 6510).

Me and My Girl (Marquis). Even if the plot turns on ironic mimicry of Pygmalion, this is no classic, with forcettable songs and dated leadenness in a stage full of characters. It has nevertheless proved to be a durable Broadway hit with its marvellous lead role for an argle, engaging and lead role for an agile, engaging and deft actor, preferably British. (947 0033) WASHINGTON

The Search for Signs of Intelligent
Life in the Universe (Risenhower).
Lify Tomlin repeats her award winning solo performance of the crazy
people who inhabit her funny and
strange imagination. One major segment explores the women's movement over the past decade. Ends
June 25. (254 3570).

A Chorus Line (Shubert). The longest running musical ever in US has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200).

Les Miserables (Broadway). Led by Colm Wilkinson, repeating his West End role as Jean Valjean, the magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama, if not strict adherence to its original source. (239 6300). **CHICAGO** Pal Joey (Goodman). Set in Chicago in the 1940s, this Rodgers and Hart classic, directed by Robert Falls, fol-lows in haunting melodies the esca-pades of a classic heel caught between the one who loves him and the rich lady he wants. Ends Ang 7. (443 3800).

Cristina Ortiz (piano), NHK Symphony Orchestra, conducted by Leonard Slattin, Mozart, Sibelius, NHK Hali, Shibuya (Wed, Thur). NHK Hall, Shibuya (Wed, Thur). (465 1781). Wiener Kammermusiker. Mozart, Schubert. Tokyo Bunka Kaikan. (Thur) (496 0859). Shibuya (Wed, Thur). (47.42.57.50). Stion. Paris Opera (100,110). (47.42.57.50). Srich Leinsdorf, with the Orchestre de Paris choir conducted by Arthur Oldhas. Brahms's German Requiem.

Rome. Georges Prètre conducts Beethoven at the Auditorium in Via Della Concilianzione (Mon. Tue). (6541044).

Salle Pleyel (Thur). (45.63.07.96).

CHICAGO

Champs Blysées (Tue, Wed).

Grands Hall (Thur). (435 8122).

TOKYO water, but not without its lon-guours, especially in the final part, which consists of a repetitive series of battle scenes. Ends July 27. (535 Kabuki (Kabuki-za). Kabuki-za is cele-

Kabuki (Kabuki-za). Kabuki-za is cele-brating its 100th anniversary in 1988, presenting both pereunial favourities and new works with lead-ing actors throughout the year. Tak-eda Shingen, O-Matsuri at Ham; Honcho Nijushi-ko, Shunkyo Kaga-mi-jishi, Banzui Chobei at 4.30pm. For those with little time at their dispossable, tickets are available (on the day only) for a single act. Excel-lent English carphone commentary. (Ends. Jun 27, 651, 318). (Ends Jun 27). (541 3131).

Opera-zz no Kaijin (better known as The Phantom of the Opera) plays at the Nissel Theatra. The fact that the Missel Treatre. The fact that Andrew Lloyd Webber's affectionate tribute to Victorian melodroma is getting a Tokyo production so soon after London and New York is more a tribute to the mighty yen than to Tokyo's theatrical and musical preminence. However, Japan's leading musical company, Shiki, acquits itself well in what is a virtual carbon-copy of the London original. (329 9000).

The Maharahhata (Ginza Saison Thea-tre). The great Indian epic, dramat-ised by Jean-Claude Carrière and staged (in English) by Peter Brook and his international troupe of actors from Paris. In three paris, performed either on successive synperformed either on success nings or on a single day. Full of

NETHERLANDS **NEW YORK** Amsterdam. Karlheinz Stockhausen directing a concert performance of his Montag aus Licht, with the Zams Cantata Choir and the Radio Budgnest Children's choir. Concertdiliard String Quartet, with Mahler, Babbitt, Janacek. Kanfmann Hall

Babbitt, Janacek (Tue). (996 1100). Hilash Wind Trio, Mozart, Bach Rossini, Gershwin, Juilliard Concerts at the IBM Garden Plaza, 56th & Madi-Budepest Children's Choir. Collective gebouw (Mon). Insterdam. Schönberg Ensemble con-ducted by Reinbert de Leeuw, with Arleen Auger, soprano; Berg, Webern, Schönberg. Recital Hall son (Wed 12.30 Free).

Philadelphia Orchestra, with Yuri Tenirkanov conducting, André Watts piano. Brittan, Shostakovich, Rachmaninov. Carnegie Hall (Wed).

Hamlet (Dai-2 Factory). This studio

production by Japan's most innova-tive director, Yukio Ninagawa,

makes use of two translations, on

makes use of two translations, one old and one new, but Ninagawa has left it up to his actors to decide which one to use - and when. The strong visual concept for this imaginitive production derives from Japan's Doll Festival. Hamlet is played by the popular TV actor, Ken Watanabe, Ends June 28.

Rines Play (Awara Hall). Devised by Robert Wilson, the master of performance art, with music by David Byrne of Talking Heads. This pro-duction was created in 1984 and,

according to the publicity hand-out, "uses the stage as a three-dimensional canvas to create poetic images." (Wed,Thurs) (208 7850).

NETHERLANDS

Amsterdam, Stadsschouwburg. The English speaking Theatre of Amsterdam continues its tenth

anniversary summer season with Beyond Silence, a multi-faceted exploration of the female imagina-

Webern, Schönberg, Recital Hall (Tue). (718 345). Ansterdam. The Netherlands Philhar-monic Chamber Orchestra play Haydn and Brahms. Buers (Stock Exchange, Dannak), Thur. (2711-51). The Hagne. The Schönberg Ensemble, conducted by Reinbert de Leeuw, with Arleen Anger, soprano: Berg, Webern, Schönberg, Roninklifk Con-servatorium (J. van Stolberginan 1), Wed. 874 281). New York Chamber Symphony, with Luciano Berio conducting and Mark Hill on oboe. Maderns, Berio, Cor-ale. Manzoni. Kaufmann Hall (Thur). (996 1100).

enthralling images of earth, fire and OPERA AND BALLET

LONDON

Royal Opera (Covent Garden). Elijah Moshinsky's stark production of Macbeth returns with the original haritone, Renato Bruson, in the title role, Elizabeth Conneil as Lady Macrole, Elizabeth Connell as Lady Mac-beth, and Edward Downes as con-ductor. For what may be her fare-well appearances here, Joan Sutherland, in rather muted form, leads a glossy, second-rate new pro-duction of Donizetti's Anna Bokena by John Pascoe. Richard Bonyage conducts, and the cast also includes Spanne Mentzer. Dimitri Kavrakos. conducts, and the cast also includes Susanne Mentzer. Dimitri Kavrakos, and John Alor. In place of Jon Vickers, Anthony Roden takes the title role in the final performance of the Peter Grimes revival. Other cast members are Josephine Barstow (Ellen Orford) and Victor Braun (Balstrode). both superb. John Barber is an authoritative conductor of the Elijah Moshinsky production.

tion.

The company horrows David Pountney's Weish National Opera production of Janacek's Cunning Little
Vixen for its first Colliseum show-Vixen for its first Collseum showings. Anne Dawson and Norman Balley are vixen and forester and Mark Elder conducts, in place of the cancelled Ken Russell Tannhänser, Pidelio is revived with members of the original Wagner cast – Kathryn Harries, Graeme Matheson-Bruce, Neil Howlett, and conductor Kees Bakels. Also in repertury: Nicholas Hytner's wholly delightful new production of The Magic Flute, with Thomas Randle, Susan Ballock, Nicholas Folwell, and John Connell; and the sparking 1985 Hytner production of Handel's Kerxes, revived with the superb original cast, led by Ann Murray and Valerie Masterson. with the superb original cast, led by Ann Murray and Valerie Masterson. Sadler's Wells. Rambert Dence Com-pany season. (278 8916).

Theis (Opéra Comique), Massenet, combing religious feelings with sen-suality, conducted by Lawrence Fos-ter in Nicolas Joel's production (47

Econe, Teatro Dell'Opera. Pier Luigi
Pizzi's production of Rossini's Mose,
conducted by Paolo Olmi, with Ruggero Raimondi, Ezio di Cesare (alternating with Mario Bologneai),
Simone Alaimo and Jenny Drivata.
(45.17.55).
Milan, Teatro Alla Scala. Zeffrelli's
production of La Bohôme. conducted by Carlos Rieiber, with Mirella Preni, Peter Dvorsky. Wolfgang
Brendel and Akio Bramante. Roberto de Simone's production of
Nabucco, conducted by Riccardo
Matti with Ghena Dimitrova, Pasta
Burchuladze, Raquel Pierotti, Giorgio Zancanaro and Exio di Cesare.
(80.91.26).
Genoa, Teatro Margherita. Die Walk-42 57 50).

Paris Opera. A 15th century Spanish tragi-comedy is the basis of Maurice Ohana's modern opera about a famous procuress. Palais Garnier. gio Zancanaro ann Exp di Casare.
(60.91.26).
Genca, Teatro Margherita. Die Walküre, in a new production by Peter
Werhahn, designed by Michael Scott
and conducted by Christian Thielemann. The cast includes Peter Hotmann and William Pell (Stegmund).
Peter Meven (Hunding), Anthony
Raffell (Wotan), Mari Anne Häggander (Sieglinde) and Olivia Stapp
(Brünnhilde). (569.225)
Naples, Teatro san Carlo. Orfec e
Suridice, with Lucis Valentimi Terrani and Valeria Esposito conducted
by Gianhuigi Gelmetti, in Alverto
Fassini's production, with sets and
costumes by Pasquale Grossi.
(417.144). famous processes (47.42.57.50). héaire de la Ville. Matsek and his Ballet Cullberg with two programmes from Sweden. (42.74.22.77).

NEW YORK

New York City Ballet (New York State Theater). Celebrating its 40th anniversary, the company has commissioned 20 works, including five with new scores, that punctuate the Balanchine, Robbins, Martins repertory with pieces by Lar Luwwich and Paul Taylor, among others. Ends. June 26

Ends June 26.

Boyal Danish Ballet (Lincoln Center Opera House). In its week-long visit, the company performs August Bournouville's classic Abdallah and

WASHINGTON

American Ballet Theater (Kennedy Center Opera House). The fort-night's visit includes new produc-tions of Gaité Parisienne, choreo-graphed by Leonide Massine, and graphed by Leonide Massine, and Raymonda choreographed by Mik-hail Baryshnikov. Ends June 25.

WEST GERMANY

Berlin, Deutsche Oper. Salome is a Wieland Wagner production con-ducted by Heinrich Hollreiser. Gomnod's Faust will have its pre-miere this week. It is produced by John Dew and led by Nelly Miri-ciolu. Rais Borris, Peter Seiffert. Robert Hale and Andreas Schmidt.
Also offered are Don Giovanni,
Madame Butterfly and the ballet
Coppelia. (34581).
Ismburg, Staatsoper. Manon Lescant

Coppens. (34891). Ismburg, Stasisoper. Manon Lescaut has a strong cast led by Raina Kabaivanska, Rachel Joselson and

LONDON

The Royal Academy. Cessume - The Early Years 1859-72. A concentrated and illuminating study of the formative period of one of the greatest artists of the 19th century, who was also one of the great seminal figures of the modern recomment. Although

also one of the great seminal figures of the modern movement. Although he came to greatness in his middle and later years, his early period, far from being inconsiderable as had been generally supposed, is now revealed in all its complexity and contradictory quality, with many great works among the youthful experiments and failures. Ends Angust 21.

experiments and failures. Ends Angust 21. The Royal Academy Summer Exhibition. The 20th Summer Exhibition. Still the largest open exhibition of current painting, sculpure, prints and architecture in the world. At 1,261 exhibits, chosen from a submission of something above 12,000, the show is a little smaller than usual, but as dense and bizarre as ever, with as many good things to be discovered, a gratifyingly large number supplied by the Academicians themselves. Daily until August ?

August 7.

Barkican Art Gallery. Art or Nature. A thorough survey of French photography in the 20th century, as part of the "mages de France" Festival. The exhibition is especially strong on the great individual photographers of the period, such as Kertesz, Cartier-Bresson, Brassal and Aiget. End July 17.

The Hayward Gallery (two exhibitions). Angry Penguins. A fascinating study of the group of young painters active in Melbourne thring and just after the Second World War. Sydney Nolan, Arthur Boyd. John Perceval and Albert Tucker are all shown in impressive depth. Also: Paintings from the Phillips Collection in Washington. An enthralling selection from one of the great private collections of modern times. Its scope extends from the 16th century to the present day, from El Greco, through Goya and Ingres to Francis Bacon – the collection is still not closed. But its great strength is in Impressionism and Post-Impressionism. – Renoir and Cezanne, Braque and Picasso, Bonnard and Matisse. Buth shows until August 14.

British Massens. Ukiyoe – Images of Unknown Jaman. This brea exhibition.

British Museum. Ukiyoe – Images of Unknown Japan. This large exhibi-

Amsterdam, Stateschouwburg, Michael Clark and Company in I Am Curious Orange (Mon). (24.23.11). Amsterdam, Societijn (Linaaeusstraat 2). Music and dance from Taiwan (Tue, Wed). (588 8500). tion of exquisite quality, brings to us, through the work of the greatest masters of the wood-block print, the magical "Floating World" of plea-sure and the senses that was the city of Edo (modern Tokyo) in the time of the Shoguns — from the 1600s until the 1860s, when Japan was closed to the outside world. Until Ansynst 14.

costumes by Pasquale Grossi. (417.144).
Plarence, Maggio Musicale Florentina, Testro Della Pargola, Three ballets by Ivan Marko to music by Maurice Ravel: La Valse, Daphuis et Chloe and Bolsro, with scenery and costumes by Jutith Gombar. (277 9236).

NETHERLANDS

Amsterdam, Muzietheater. The Netherlands Opera with the Dutch première of Nizon in China by John Adams, with libretto by Alice Goodman. Directed by Peter Sellars and designed by Adrisane Lobel. Edd de Waart conducts the Holland Festival Orchestra with James Maddalena as Richard Nizon, Carolann Page as Pat. Sanford Sylvan as

rena as rectain whom, carcain page as Pat, Sanford Sylvan as Chou En-Lai and John Duykers as Mao Tse-tung (Mon, Wed). The National Ballet with Four Schumann Piscas (Van Manen/Schumann) and the world première of new ballets by Nile Christe and Edonard Lock (Thur) (255.455)

was closed to the outside world. Until August 14. National Portrait Gaillery. Paologgi Portraits. A small but intriguing show of a body of recent work on a subject that has fascinated the Scottish sculptor. Eduardo Paologgi, throughout his long international career. Of particular interest are the self-portraits, and the several working studies of the architect, Richard Rogers. Until August 7.

and crafts of Indonesia, illustrated with more than 500 objects in bronze, bamboo, textiles and precious metals spanning 2,000 years of cultural history. Ends Angust 21.

Amsterdam, Rijksmuseum. Two hundred of the printroom's finest 15th and 16th century ornamental prints, with designs for jewellery, weapons and furniture. Rads June 19.

Amsterdam, Rijksmuseum (rear entrance). Divine Bronzes (some no more than 5cm high) illustrate the stylistic development of Indo-Lavanese religious images from the 7th to the 16th centures and their role in transmitting culture from India and South-Rast Asia to Indonesia.

Ends July 31.

Galérie Schunit. French masters of the 19th and 20th century. The dis-creetly luxurious three-storey gal-lery plays bost, yet again, to an exhibition spanning a period rich with creativity and diversity. There-is a darkly romantic portrait by Deiscroix and an almost abstract. Nicolass de Steal kerdens them. Detactors and an almost abstract: Nicolas de Stael landscape. There is a rare Pissarro portrait of his son, Lucien, seated against a window and an early Picasso scene in a restaurant. A still life with a hyacinth and apples by Gauguin surprises by its tenderness, as does Corot's young, Italian woman with a red shawl. 386, Rue Saint-Honoré (42.60.36.86). Closed Sundays and lumbitime. Ends July 16.

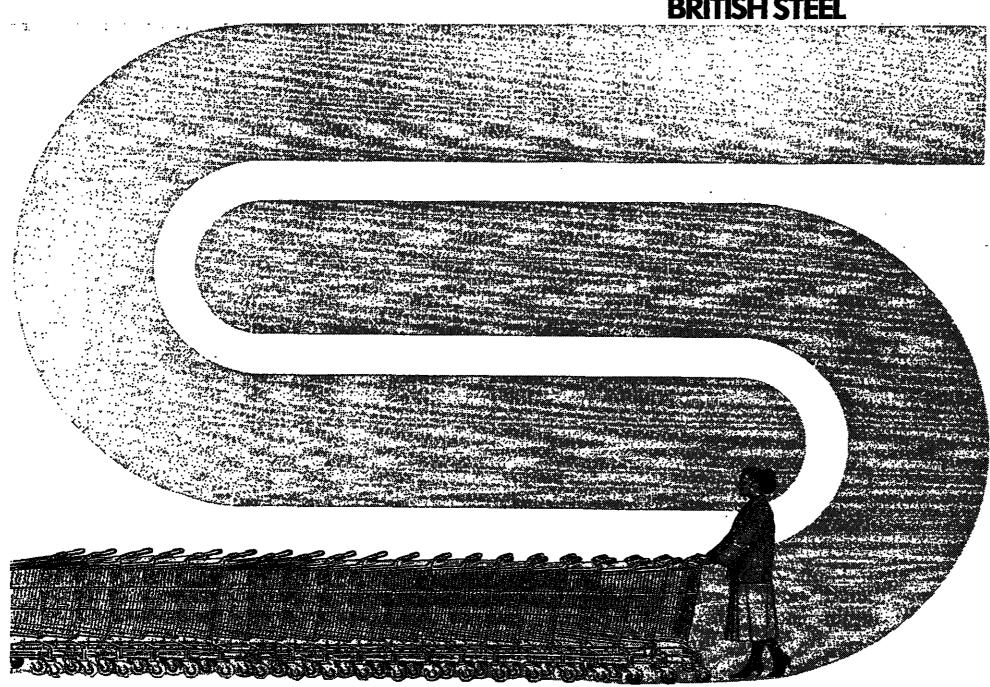
Continued on Page 23

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Sedate nostalgia does not win a Waugh

A Handful Of Dust (PG) Cannon Shaftesbury Avenue, from next Dogs In Space (18) Renoir, Gate Notting Hill, Cannon Oxford

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THERLANDS

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Cop (18) Cannon Panton Street Bright Lights, Big City (18) Leicester Square Theatre Hello Again (PG) Warner West End, Cannons Haymarket and Oxford Street

It was only a matter of time. Fast running out of E.M. Forster novels, the British cinema (belle spoque and boaters department) has now declared Waugh. A Handful Of Dust is directed and consisted by Charles Supplies of Of Dist is directed and co-scripted by Charles Sturridge of TV's Brideshend Revisited Bat-tening on Evelyn Waugh's argu-ably best novel, a sad and sav-agely funny picture of loneliness amid high-society caperings. Sturridge brings us a movie that is the nearest thing to an artistic

You cannot say it is good. You cannot say it is bad. It has no independent life of its own: it merely plants itself on Waugh's novel and sets about sucking out its soul. The good news is that no Waugh-lover can complain of infi-delity. James Wilby (Maurice of Maurice) is hero Tony to the T: Waugh's ineffectual landed gent, born to be cuckolded by his bored wife Brenda (Kristin Scott Thomas) who keeps scooting off to London to mate with the frightful John Beaver (Rupert Graves). Meanwhile poor Tony, Waugh's definitive (self-) portrait of male paranoia, nurses his loneliness in his Gothic pile in the country, then loses his son in a riding accident, then loses Brenda to the divorce lawyers.

Finally he gets away from it all by going to South America. But even here he falls ill and meets Alec Guinness as the grim Mr Todd (alias Death), who holds him captive demanding endless Dickens readings. (Even Waugh's vision of eternity has a satiric

pay-off.)
Wangh tells this story with a dry, malkdous, stoical wit. Plucking his title from T.S. Eliot's The Waste Land ("I will show you fear in a handful of dust"), the novel sees murtality in every-thing in love, wealth, hope, san-ity, and in a between-wars Britain of champagne and hedonism. The events of the story itself are neutral, even (until the surreal Latin American coda) banal. The book's life is in the hidden black mischief of the writ-

ing.
The movie sits on the novel nicking out the story and characters and vainly trying to draw forth the work's vital essence. But where Waugh tells his tale



Kristin Scott Thomas and Rupert Graves in "A Handful of Dust"

self with a peculiar accent, (What ever is it meant to be? Irish-Bar-

sedate. And there is no sex and violence. But then that is really the whole problem. The novel is palpably present,

come, like Richard Lowenstain's sorts. But admiration for the Dogs In Space, from a 23-year-old film's narrative minimalism is Australian director hardly old outweighed by dismay at its enough to be nostalgic about any-puny, sentimental message. Low-thing. This weird movie features enstein wants to call back yesterno dogs and no space: just two day and climb into the womb of hours of hairy happenings and the Hippy Kra. But they do not

the Merchant-Ivory visual bra-vura. And once you have scooped ture. Look at them. Sam (Michael the cream off the acting, chiefly Hutchence) is a nice-looking Wilby's touching, fluffy Tony and drop-out with Christ-length hair Kristin Scott Thomas's drawling whose only sins are sexual honvixen Brenda, even the perforesty (he sleeps around and never mances disappoint. Graves's Bea-mind his girlfriend's tantrums) ver is a vapid, colourless young and an inability to get up from stud — where is Waugh's ripely the floor without a fix. And then odious freeloader? Anjelica Hus- there are Tim (Nique Needles) ton and Pip Torrens contribute and Jenny and Christopher and dismayingly blank cameos as the rest, all lovable layabouts family friends. And even Guinness has chosen to bandicap himquarrel, rap and sleep: waiting self with a peculiar accent. (What with saraphic patience the while for the sky to break over their badian?).

For the nostalgia crowd who Skylab falling over Melbourne – lapped up Brideshead, it will all and the era of Peace and Love to probably do, The sets and cosend, (There is even a sheep wandering in and out: the cinema's religious benediction). While rock music thumps its wall-to-wall full of sex and violence: never anarchy, the storyless story stated but darkly, sardonically, unfolds. Until its relatively action-packed climax (sofa and * telly-burning in the night street
Nostalgia comes in all shapes, as sviction looms) nothing "hapsizes and convulsions. It can even pens:" which is itself a feat of

with a cunning mock blandness, non-happenings in a Melbourne using wit and irony as guerrilla hippies squat circa 1979.

And they do not even make films weapons, the movie simply is five minutes in, we begin to like this any more: it resembles a bland. It pures decorously along, get the message. These charac-merchant-Ivory cinema without ters living on drugs and rock ative genes of Dennis Hopper and

> James B. Harris's Cop is the best film of the week. We know most of the ingredients already from the Dirty Harry Thriller School The renegade police Sergeant The renegade police Sergeant (James Woods) who bends or flouts the rules to get his man; the trail of carnage left by a psychotic killer; the marriage (Woods's) broken up by policework pressures; the final cornering of the villain where guns speak londer than the reading of speak louder than the reading of

> But adapting a novel by James Ellroy, writer-director Harris, formerly a Stanley Kubrick associate (he produced Paths Of Glory and Lolita), hurls these ingredients into his private blender. They spin around at dizzying speed to produce extra-vivid col-ours and flavours. When not feeding us prime spoonfuls of black comedy – like the bedtime sto-ries Woods tells his tiny daughter from his own drug-busting files ("Tell me how you got this scum-hag, Daddy" she chimes) — the film has wonderful fun conceal-

killer, she may be his next vic-tim), her character reveals first ideological dogmatism, then romantic winsomeness, finally

lear, panic and violence. Energising the whole film is Woods himself. The weasel-faced dynamo of Salvador and Best Seller scurries about Los Angeles, cutting procedural corners, cracking cynical bons mots and bedding obliging witnesses: all as if the crusade for justice were scarcely less sortid than the crimes it pursues. Cop suggests we live in a bad, bad world, whichever side we operate on. But it has huge, huge fun deliver-

The week's two Hollywood comedies are advance warnings of the silly season. Bright Lights, Big City turns Jay McInerney's free-wheeling comic novel of cocaine and careerism into a ghastly movie misfire. New York yupple Michael J. Fox, when not living the pace that kills in the discos and drug parties, lives another kind of pace that kills in the slowcoach fact-checking depart-ment of a prestigious New York magazine (meant to be the New

decent, steady pace? Will his dashing mentor and alter ego Kiefer Sutherland help or hinder? And between scoops of cocaine why does he suffer from these flashbacks to his Mum's deathbed? She is Dianne Wiest, suffering bravely through the mawkish dialogue as if there might at least be an Oscar at the end of it all.

The film is directed by Jame Bridges, of *The China Syndrome* and *Perfect*, as if he is packaging pop videos. It is flashy, noisy and like animated wallpaper. It never catches the wit of the original and it uses the reserves of teen age hygiene in Fox's persona to ready us for a moralistic ending in which all those naughty drugs are forsworn and every good boy comes to realise he loved his

Hello Again is short on moralising but long on whimsy. Scat-terbrained housewife Shelley Long chokes and dies on a South Korean chickenball and is brought back to life a year later by her sister (Judith Ivey), a nutty spiritualist. Her return hardly seems worth the trouble. Her husband has remarried, her sister is still tediously nutty and she is courted by a confused-looking Doctor Gabriel Byrne. (I ("Tell me how you got this scumbag, Daddy" she chimes) — the film has wonderful fun concealing one flavour inside another.

have never seen an actor look so much as if he has signed for the wrong film). Susan Isaacs wrote and Frank Perry directed, and When feminist poet Lesley Anne spiritualists may apply for the Warren is roped in to give evijob of bringing it all back to life.

Driving Miss Daisy/Apollo

own filial duty and the frightful-

out interval, for 90 minutes) beyond passing reference to My Fair Lady in the 1950s and Mar-

tin Luther King in the 1960s.

Daisy buys tickets for a King dinner but omits to invite the chauf-

feur until they're on their way. Things have changed, Hoke reflects darkly, I mean gloomily,

but not that much. Jews and blacks are still divided in Amer-

ica, as we saw in the recent Jesse

Jackson Democratic nomination

Michael Coveney

It's "let's hear it for the oldsters" time again in the West End, as son Boolie, is played without fuss warming moment of common Wendy Hiller drifts elegantly into or much bother by Barry Foster view as a mean old Jewish matriare as a pliable go-between, employing the drifts elegantly into or much bother by Barry Foster view as a mean old Jewish matriare as a pliable go-between, employing the drifts elegantly into or much bother by Barry Foster when the synagogue is burned down.

Ron Lagomarsino's production to drive her car without crashing own filial duty and the frightful-it and unwilling to take the sounding unseen wife Frosine, on chauffeur provided by her busi-whom Miss Dalsy memorably

chauffeur provinces by the nessman son.

Alfred Uhry's play is a neat "If I had a nose like that, I and sentimental variation on the wouldn't go around saying Merry s I'm Not Rappaport format of a couple of seasons back, and in the same theatre. It is devised to demonstrate that grace and full impact, just as it leave Mr laughter are not inimical to senillaughter are not inimic the same theatre. It is devised to demonstrate that grace and laughter are not inimical to senility, that growing old in a home has its compensations (the chaufeur comes and spoon-feeds you Thenkersidus pur four areas) and spoon-feeds you Thanksgiving pie, for a start) and that there's nothing unduly age-ist about celebrating the mumbling, crumbling hip generation.
The play won a Pulitzer prize
this year but, given the state of
new work on and off-Broadway
(where the piece is still running),

you have to write a brilliantly bad play not to win one these days. Mr Uhry is certainly an effi-cient operator. His story concentrates, like Rappaport, on the bond between two feisty geriat-rics, one black, one white.

Dame Wendy plays the white one. Daisy Werthan is a crotchety passenger for Clarke Peters's proud and sinewy, but inevitably deferential, driver, Hoke Coleburn. She starts by suspecting him of pinching a tin of salmon and ends by worrying about his eyesight. Their growing friend-ship is composed in a series of stop-start scenes, not all of them rounded with sufficient flourish against a deliquescent inky blue background, designed by Thomas Lynch, that keeps changing like a Rorschach test. Genteel string music raises the tone, too, as we speed across the decades from 1948 to 1973.

The third character, Daisy's campaign, though there's a

is economically handsome, changes of location indicated by swiftly sliding furniture and, for the car, round stools. I am not sure enough is made of that back-seat relationship conducted through a driver's mirror. But Mr Peters, a fine and fluid physical performer, as we well know

depths. Dame Wendy is more scrubbed and un-mannered than usual. She wisely eschews to play Jewish, redefining the role's contempt and impatience in her own inimitable, very funny, haughty man-ner. Of course she persists in resembling the old Queen Mary, but her nonagenarian decline, wispy on a walking frame, is touchingly done. As with Paul Scofield lamely "putting on the Ritz" in Rappaport, here is another last draught of the good old Timmer white



Wendy Hiller and Clarke Peters

Dark Elegies/Sadler's Wells

Clement Crisp

The Rambert Dance Company is atmosphere, have been dispensed dedicating its new season to the with, and the ballet is played in memory of Antony Tudor. Tudor, who died last year, was Marie Rambert's second great choreographic discovery (the first was Ashton), but it is ironic that his and Richard Alston, seems to me leaking in the translation. estate is seeking to injunct the lacking in that psychic density, Rambert troupe from performing that controlled humanity, which a masterwork that he created for was once essential in making real them in 1937, Dark Elegies. The the grief of a community sufferreasons concern the version of ing appalling bereavement. The the ballet now presented by Rambert – which claims direct, albeit ful, as blanched as the lighting, uncorrected, descent from the unconvincing.

first staging – and that produced by Tudor after he went to America in 1939, preferred by his heirs. It would be good to be able to It would be good to be able to report that the presentation we saw on Wednesday vindicated the Rambert company's decision to first London showing of Merce Argentinian tangos, Liszt piano music, and a bizarre and novel-Alas, it had certain significant newly acquired, but dates from ettish parration on tape. I found factors militating against its suc. 1953, and shows the choreogra-the piece incomprehensible, cess. The original Nadia Benois pher responding to Erik Satie's deeply unfunny, and unrelent-

dances no less sly and formally exact. It has little jokes, little solemnities, and a directness of style that is very attractive.

Would that anything similar

could be said about the novelty of the evening, David Gordon's Mates. Mr Gordon, New York based, "constructs" his theatre pieces, and this latest offering looks as if none of the joints in the construction is working, and none of its underpinning is holding up. A romp for five women and three men, in oh such mad-cap garb by Antony McDonald, it The evening began well, with a cap garb by Antony McDonau, as clean and sharply delineated finds its cast whisking about the account of Alston's Dangerous stage, tripping up, and occasionally joining forces to the accomally joining forces to the accomand a ratatouille of

Iphigénie en Tauride/Châtelet, Paris

The Théâtre Musical de Paris at like the first, at the Opéra. scene at the opening of that same the Châtelet made a notable contribution to the first Festival de Paris, a municipal affair concentrating this year on Italy, by reviving one of those operas responsible for bringing the product of the Chapelle Royship and responsible for bringing the product of the Chapelle Royship and the Chapelle reviving one of those operas every buff knows about from history books but few can have expected even nowadays actually to see on the stage.

The Teatro Petruzzelli at Bari, the Apulian birthplace of the composer Niecolò Piccinni whom Paris turned into an ineffectual and indeed unwilling rival to Gluck, recently staged Piccinni's Iphigénie en Tuuride. As a stunt, both composers were persuaded to write their own version same story, different librettos. Gluck's was ready in 1779; Parls had to wait another two years for the rival version to be performed

thinking of the cheese-paring which such a work would almost To judge from this example, certainly suffer if produced the fertile Piccinni was a competent, ordinary composer, mortally splendid framework of crumbldull, in whom the fires of drama burned low. Some expenditor

duction to Paris, to value the experience mainly as an illuminating postscript to the Cluck which one can only wonder, celebrations, a demonstration of his overwhelming smarting. One must admire a soprano of drama. Alberto Noli was Those, the distinction and popularity of who has more to do than his bis overwhelming superiority.

To judge from this example, the fertile Piccinni was a competent, ordinary composer, mortally suffer if produced across the Channel. There was a splendid framework of crumbly full, in whom the fires of drama burned low. Some exception may be made for the scenes with lighting matture of artificial series, Oreste and Pylade in act 3 — but you would need to be an even duller dog than this one not to respond to the drama at that point. Some of the vocal writing (for instance lphigénie's big solo

Philharmonia/Festival Hall

Andrew Clements

Different planists may evoke That for the first movement impulsion, and a sheer inability many adjectives from Beethov- could just about have been written's Fourth Plano Concerto but ten by Beethoven — he wrote "bracing" is not usually among three and only two of those are them. Yet Alicia de Larrocha's heard regularly — that for the Impulsion, and a sheer inability to justify the music-making in any convincing way predominated.

In its original 1911 scoring the

reposeful moments for their own

account on Wednesday with the finale most certainly could not.

Philharmonia was precisely that They turned out to have been the

consistently bright-toned, work of Reinecke; worth hearing, rhythmically piquant, and never but only in such an unexpected attempting to seek out the work's context as this.

In its original 1911 storing the complete ballet is heard relatively rarely in the concert hall. It requires great theatrical flair, a sense of occasion, to bring it off, and Salonen did not hint at an

sake. It was not by any means niment to the first movement Philharmonia played exception-the all-encompassing, universalis suggested that he had been ally well for him, with some out-

Esa-Pekka Salonen's accompa- involvement on that level. The the all-encompassing, universalissuggested that he had been ing view of the work that one expecting a more conventional, would construct as a notional relaxed account — he had laid many textures were generalised, and their Rimskian sheen was superfactly calculated.

Its deliberate lack of conventional kinship was emphasised in Larrocha's choice of cadenzas.

Suggested that he had been ally well for him, with some outstanding wind solos, but too many textures were generalised, and their Rimskian sheen was allowed to dult. Tempi swerved between the over-measured (in the opening sections) and the dangerously unstable (in the moments surrounding the Infernal Larrocha's choice of cadenzas.

Continued from Page 22

Pavilion Des Arts. The magnificence of silversmithe' work in India dur-ing the reign of the Moghuls testi-fies to their love of luxury. Every-dey utensils like scissors, knives,

day ntensils like acissors, knives, betel nut and cosmetics bones are chiselled and adorned with filigree open-work as richly as carenomial objects and armour. 101, Ene Rambuteau (42.33.82.50) Closed Mondays and holidays. Ends July 17. Galerie Odermant-Cazeau. Guillaumin's deep blue of the Mediterraneau, framed by green pine treas and orange earth, entices the passerby into an eclectic exhibition of some 50 works by the masters of the 19th and 20th century. A monumental 1937 wooden sculpture by Zadkin watches, totemfile, over a representation. watches, totemlike, over a represen-tation of a seated woman by Picasso, a pastel of two dancers by Degas, and another by Gauguin,

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FINANCIAL TIMES

Europe's Business Newspaper

showing two boys fighting. Monet is there with a Civerny landscape, and an unusually structured Bonnard projects a colourful view of Saint-Tropez through a gap between two tall buildings. 85 Bis, Rue Fanbourg Saint-Honoré. (42,86.92.58) Ends July

Daniel Malingue Gellery, Baltasar Lobo's work is a hymn to the eternal woman. In perfect harmony with the material he uses, the Spanish sculptor celebrates with equal mastery the gracefully stander body of a young girl and the full-thown beauty of a mother playing with her child. The purity of line of the smooth brouze comes near to abstraction at times, yet the sensuous featininity is always there. 26 Avenue Matignon (42.66.60.83). Ends July 3.

VIENNA

tathens. Wien 1938. Vienna's city hall in commemorating the Anschluss, the German annexation of Austria in 1938. A large and courageous enhibition which shows how Austrians reacted to Hitler's march into Vienna and the eclipse and eventual destruction of the Jewish culture. Rads June 30.

NEW YORK

NEW YORK

American Craft Museum. An ambitions show that traces the history of American architecture back to the turn of the century and emphasizes the work of artists like Tiffany, Lawrie and Louise Nevelson who were commissioned to add art to the architecture. Ends Sept 4.

Pierpont Morgan Library. Over 300 items from the life and art of Beatrist Pother show the evolution of the artist and her work. Included are the illustrated letter, discovered only months ago, to Noel Moore that became the basis of Peter Rabbit and the entire sequence of 22 watercolours from The Tailor of Gloucester. Lent by the Tate Gallery. Ends Ang. 21

National Gallery. To mark the 350th anniversary of the first Swedish colony in North America, a royal treasury covering four Swedish monarchs in the 18th and 17th centuries will show Sweden as a resplendent.

arciss in the loth and 17th centures will show Sweden as a respication and aggressive world power through objects and 100 paintings on loan from the Royal Treasury, the national museum and the royal collections. East Wing. Ends Sept 5.

CHICAGO

Art Institute. A centenary retrospec-tive of the work of Georgia O'Keefe evokes the world of flowers and skulls in the luminous light of New Mexico. Ends June 26.

WASHINGTON

National Gallery, More than 50 mas-terworks from superb 16th-18th cen-tury collection of Munich's Alte

Rubens, Rembrandt, Titian, El Greco and Van Dyck, Ends Sept 5.

ITALY

Venice, Palazzo Grassi. The Phoenicians, The fourth major exhibition at Firs's imposing arts' centre on the Grand Canal attempts to give a complete picture of this extraordinary people, about whom faw know much, who dominated trade in the Mediterranean for over 1,000 years before their capital, Carthage, was finally destroyed by the Romans in 146 BC. Organised by Professor Sabatino Moscati and sponsored by the Accademia dei Lincei in Rome, the exhibition has been given a highly theatrical presentation by the architect, Gae Aulenti. Sarcophaghi project at odd angles from a pile of pink sand on the ground floor of the Palazzo; in an upstairs room, model ships stand immobile in a rippling artificial lake, and a huge polystyrene wave engulfs a Phoenician wreck. Not particularly legible graffiti run across the walls—comments on the Phoenicians by contemporaries and later writers. Many of the 1,200 objects displayed (gold and silver jewellery, statues I and reliefs in terracotta pronze and ivery) are extraordinarily beautiful and the 750-page catalogue, published by Bomplani, is excellent. Until Nov 6.

Venice, Fondaziona Cini. Paolo Veronese, an intelligentity presented exhibition to mark the fourth centenary of his death, two-thirds of which is devoted to his preparatory studies for his major works in Venice. The last few rooms contain 22 paintings, including several masterpieces lent by American and Enropean Museums Isola di S. Giorgio, Until July 10.

Rosse, Museo Del Folklore. Goethe in Italy, organised by the Goethe Museum in Dusseldorf and the Arbeitskreis Selbstandiger Kultur-Institute in Bonn. It includes a mixed collection of objects connected with Goethe's two visits to Italy (1788-1788 and 1790) and gives a

mixed collection of objects con-nected with Goethe's two visits to Italy (1786-1783 and 1790) and gives a vivid idea of the essential equip-

ment for a late 18th century travel-ler in southern Europe (a pair of pistols, tables of exchange rates, folding writing-desk, and maps of the scamty post-chaise routes, and of the wildness of the terrain covered). On show is a copy of his friend Tischbein's portrait, Goethe in the Roman Countryside and engravings, drawings and watercolours by Pira-nest, Hackert, Kniep, Pinelli and Goethe. Plazza S. Egidio. Ends July 8.

WEST GERMANY

Cologne, Romisch-Germanisches
Museum, Cassar'a Glass, the most
important display of Roman glass
ever staged. It covers the period
from Cassar to Justinian, from the
first century BC to the 6th century
AD. The 162 pieces are mainly goods
from everyday life. The show is a
joint project between the Corning
Museum of Glass, New York, the
British Museum, London, and the
Romisch-Germanisches Museum in
Cologne. The exhibition is sponsored by Olivetti and runs until
August 28.
Darmstaft, Mathildenhohe. That's

Darmstadt, Mathildenhohe. That's Darmstadt, Mathildenhohe. That's Jaz- the sound of the 20th century. Darmstadt presents hundreds of pictures, posters and documents from the history of jazz and its roots in slavery. The exhibition includes instruments used by jazz personalities like Louis Armstrang, Dave Brubeck, Duke Ellington, Count Basie and Billis Holiday. The visitor can also watch historic films or listen to music in special rooms. There can also watch historic films or is-ten to music in special rooms. There is a reconstruction of a New Orleans Salan, a studio from Chicago in the 1920s as well as an illegal Berlin Studio from the Nazi period when jazz was banned. There are other items like a street sign from New York Avenue, a peinting of Aron Douglas, which shows the advance of black people through music, the horn on which the young Louis horr on which the young Louis Armstrong practised, and a curious Sound Machine from the 40's. There are about two concerts a week in a special room with 350 seats.

TOKYO

Japan Folkuraft Museum. Komaba: Prints by Munakata Shiko and Pottery by Kawai Kanjiro, a special axhibition commencerating the centenary of the birth of the founder of the Japanese folkuraft movement, Soetsu Yanagi. Includes works by the movement's two leading practitioners, Kanjiro Kawai and Shiko Munakata. Munakata's woodblock prints are bold and vertiginous (he was near-sighted from youth onwards); while Kawai's pottery is distinguished by its brightly coloured glazes. This super's collection of crafts from all over Japan is housed in the replica of an old farmhouse building which accords perfectly with the unself-conscious beauty of the objects. Nihon Mingelkan, Closed Mondays. Ends June 26.

Tokyo National Museum of Modern Art. Rene Magritte. Magritte's paint-ings of dapper little men in dark suits and bowler hais and floating-like clouds should appeal to all Jap-anese "salarymen" who dream of escape from the daily grind. Taka-bashi, Closed Mondays. Ends July

SWITZERLAND

Martigny, Fondation Giannadda. From Raphael to Corot. The master-pieces on loan from Sao Paulo's Museum of Art cover a greater stretch of European art than the title suggests. Beginning with a 18th century hieratic Madonna, they continue with Lacona Break's century hieratic Madonna, they con-timme with Jerome Bosch's obses-sive fantasies of Saint Anthony's temptation. A handsome young aris-toriat by Luces Cranach is next to the towering black figure of Count Offwares by Velasquez. There is a moving self-portrait by Rembrandt and a portrait of a Cardinal in his red robes by Goya. There is a Chardin and a Fragonard, Reynolds and Gainsborough, while the fashion-able chronicler of the Belle Epoque Glovanni Boldini, closes the exhibi-tion. (026) 23978. Open all day. Ends June 28

Saleroom/Susan Moore

Record for Nolde

Wednesday's sale of German 20th century art, the second sale 495,000.

staged by Sotheby's in Munich, drew a number of works never before seen on the market or exhibited – and two (unrelated) auction records.

Emil Nolde's vibrant "Blumen and the sale of the sale totalled DM 7,777,660 or 52,498,846, some DM 2m up on larger for Drag 195,000.

All the top lots sold to private collectors, although dealers comprised about half of the saleroom. The sale totalled DM 7,777,660 or 52,498,846, some DM 2m up on larger for Drag 195,000.

Emil Nolde's vibrant "Blumengarten (Bonde)," densely and expressively painted in rich reds, violet and greens, far exceeded expectations by selling to a pri-vate collector for DM 1.815m or £583,132. It became the most expensive 20th century painting

sale. A Fauvist still-life doubled its estimate by selling for DM 418,000 (£134,297), as did a ravishing watercolour of colossal red poppies. This smallish, unknown work emerged from a private collection to sell for DM 396,000 (£127,229).

was also a watercolour: George 18th century Lombardy. This Grosz's bizarre "Longings on an Office Clerk," coloured in a high, primary palette. Estimated at DM a private bidder for £39,600. 90-120,000, it realised a substantial DM 286,000 or £91,887. the Dent archives yesterday. Another surprise was Alexey comprising illustrated children's Jawlensky's abstract head which books and related drawings. a German collector secured for Dealer Chris Beetles paid the top DM 451,000 (£144,900). Otto Dix's price of £13,750 for a series of 119 "Sunday Walk," sold by a private ink drawings by C.E. Brock illus-Swiss collector but widely pub-trating Lamb's Essays.

Wednesday's sale of German 20th lished, sold on target for DM

cent failing to sell.

At Sotheby's in New York, a monumental Galle cameo glass lamp stole the limelight in Wednesday's 20th century decorative arts sale. Of lemon-yellow does constitute with less relative and selections and selections and selections are sale. glass overlaid with leafy wisteria in various shades of purple and lavender and blue, it found a new ever sold in Germany, and established a record price for the artist. (Another flower garden, this time with a woman in red, realised £470,000 at Sotheby's in Lonised bought in.
The continental furniture and

works of art at Christie's yesterday proved less desirable. Not including the carpets sold in the afternoon session, the sale realised £414,766 with nearly 30 per cent bought in. Top lot was a handsome walnut "cassettone" or The other record of the sale bombe bureau, dating from mid-"property of a nobleman" was estimated at £8-10,000, and sold to

Sotheby's sold the first part of

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4 P48Y Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000

Friday June 10 1988

Mr Dukakis sets the pace

IT IS DEBATABLE whether it is the Democrats enormously in the harder to win a presidential nom-ination in the US or the presi-dency itself. But Mr Michael Dukakis, the Democratic Governor of Massachusetts, has just won the first and, according to all available evidence, has a measurable lead in the race for the second against Vice President George Bush for the Republicans.

This is a remarkable achieve-ment, not so much historically, because men have come from nowhere before to take a nomination and even the presidency, but very much in the context of this year's politics. It is not so long since the Democratic field was being derisively dismissed as the seven dwarfs, representatives of a party so riven ideologically and so devoid of clear leadership as to be incapable of grasping a clear opportunity to wrest back the White House in the post-Reagan

There are still gaps in the public knowledge of Mr Dukakis and several internal party divisions to be reconciled, particularly with the Rev Jesse Jackson. This is now focused on the choice of a running mate, with Mr Jackson making it clear that a number of choices, such as Senator

Determination

But what impresses most about Mr Dukakis is that he has reached his present state by a determination to stick to the reasonable middle ground, to play the game straight and to respect, not demean, his opponents.

He may have done this in a rather flat, uninspiring way, purveying at best an image of managerial competence. Yet this may be what the public wants after the roller coacter ride of the Peathe roller coaster ride of the Reagan years. Certainly he has presented a difficult target. Even Mr Jackson, his obvious antithesis, paid him the very considerable compliment on primary night in Los Angeles by saying that the two of them had demonstrated that it was possible "compete without conflict and differ with-

short term. It has left Mr Bush sitting mostly on the sidelines, frustrated in his expectation that the opposition would tear itself apart and unable to generate much enthusiasm for or interest in his own effort.

Incumbent vice presidents always have a rough row to hoe; the last one to be elected to the White House was Martin van Buren in 1832. (Sitting governors, it should be noted, have not done much better, the most recent successful accession being FDR's in 1932.) But at this stage of the race Mr Bush seems worse off than was Richard Nixon in 1960 and not much ahead of Hubert Hum-phrey in 1968

His problem is one of identity. He wants the Reagan mantle, but ds to shed some of its underclothes in addressing critical domestic issues of the moment like deficits, drugs, education and welfare. The Reagan rapprochement with the Soviet Union seems to make Mr Bush uneasy, but his caution sounds false com ing from a man believed to be at irt an advocate of détente. The Sam Nunn of Georgia, are unacceptable to the progressive forces he represents.

net result is a rather confusing melange of pronouncements and a growing belief in the electorate that Mr Dukakis might be better equipped to handle awkward

> For both men, the battle, as has long been obvious, is going to be for the middle ground. It is, therefore, not surprising to hear Mr Bush describe Mr Dukakis as a McGovern Massachusetts liberal, preaching "gloom and doom," and for Mr Dukakis to counter by claiming that the Republican deficits hardly make Mr Bush an orthodox conserva tive. However, if the campaign degenerates into artificial name-calling it will not be edify-

Nor is this the path to success For the record shows that, in a presidential election, Americans like to be given a sense of where the country is going. This was Mr Reagan's knack, just as it was John Kennedy's and Franklin Whether this dignity can be Roosevelt's, and it can be demonmaintained in the weeks before strated in various ways. The next the convention in Atlanta next task for Mr Dukakis, Mr Bush

Tackling Africa's debt crisis

IT HAS LONG been clear that tional Development Agency (IDA) Africa's economic crisis demands and the African Development urgent and radical measures. The strains of servicing the continent's external debt of \$200bn are jeopardising the far-reaching economic reforms which over 30

countries have introduced.

The response to the crisis by
Western governments and institutions has not been insignificant. But it has been slow in addressing some fundamental issues. Thus President Mitter-rand's unilateral offer this week to the world's poorest countries of a package of partial debt cancellation, accompanied by longer rescheduling terms and preferential interest rates on remaining commitments, is a major advance.

The package acknowledges that concessionary interest rates are a potentially valuable element in efforts to resolve the debt crisis for the poorest African countries, gives encouragement to hard-pressed African leaders, and shows the way for the other industrialised nations when they discuss Africa's predicament at The package is similar to measures Mr Nigel Lawson, the Chancellor of the Exchequer, has long been advocating - as he pointed out last night.

Formidable

Yet, welcome as these initia-tives are, the problem of Africa's external debt, and the linked issue of raising sufficient resources to sustain Africa's efforts at economic recovery. remain formidable. At present, international lending is, in aggregate, doing no more than cover debt service obligations. Further measures are needed, over and above the recent increase in facilities offered by the International Monetary Fund, the World Bank and the African Development

Approximately 40 per cent of the continent's debt is to official bilateral creditors, including financial fertiliser. export credit agencies, and comes under the Mitterrand proposals - assuming other industrialised countries now adopt the package. A further 25 per cent is owed to international financing institutions, which do not reschedule their loans. They argue that it would jeopardise their credit rat-

ings, or in the case of the Interna-

Fund (whose interest rate is noninal anyway) simply reduce new lending.

But there is a need for an initiative from the third major cate gory of creditor, the commercial banks. Although their share of the debt is only 25 per cent, they have received in recent years about half the total interest paid on the debt, according to the UN on the dest, according to the UN report on financial flows to Africa, compiled earlier this year by a group of experts headed by Sir Douglas Wass. The report recommended that commercial banks should be willing, on a case by case basis, to take special debt relief measures.

port, but a feasible alternative, canvassed by the African Development Bank, is conversion of debt into long term securities or bonds on which creditors accept lower rates of interest.

Toronto at the end.

Toronto at the end.

The demand for Britain fully to join the EMS is an extension of the consensus of the past two years of cohabitation between the socialist president and the previous

programme needed at least \$5bn a year over the next few years, over and above what was expected to be available. The report estimated that increased resources from the IMF and the World Bank would bring in \$30n., debt represents a clear reversal interest rate reductions would provide a further \$1bn, leaving a

increase the net flow of resources to African countries in the con-text of economic programmes text of economic programmes that offer some prospect that offer some prospect that those resources will be used more effectively than in the past. The danger is that the policy changes will wither away for lack of new financial fertiliser.

The Theorem Minerana has long in torecast for a bistering summer holds good, thanks to the below tries, but first indications that he danger is that the policy changes will wither away for lack of new financial fertiliser.

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The Theorem Minerana has long in torecast for a bistering summer holds good, thanks to the below that he he will be 75, the age he has been owning to all year.

The Theorem Minerana has long in the lack of the help for the development countries which has blossomed the case for greater in the policy changes will be used more the case for greater in the development countries in the policy changes will be used more the provided that he help for the development countries in the policy changes will be somed the case for greater in the policy changes will be used more than the policy changes and the provided that he help for the development countries that the policy changes will be used more the provided that the policy changes will be used more than the policy changes and the provided that the policy changes are provided to the provided that the policy changes are provided to the provided that the policy changes are provided to the provided that the policy changes are provided that the policy changes are provided to the provided that the policy changes are provided to the provided that the policy changes are provided to the provided that the policy changes are provided to the provided that the policy changes are provided to the provided that the policy changes are provided to the provided that the policy changes are provided to the provided that the provided that

efforts to close the financing gap.

Both approaches are needed if Africa's efforts to revive its economy, along lines long advocated by the countries meeting in Toronto, are to succeed.

Toronto, are to succeed.

Toronto, are to succeed.

Toronto is the financing gap.

target of 0.7 per cent of GNP set that the begins at a secret venue target of 0.7 per cent of GNP set that target of 0.7 per cent of GNP

Clay Harris looks at prospects for Europe's lighting industry as it undergoes a rapid change of structure

EUROPE'S lighting industry is coming out of the shadows. At present, the spotlight is directed at the two rival UK bids for Europhane, France's second largest manufacturer of commercial and industrial light fittings. But dis-cernible at the edge of the beam of public attention is a general jostling for position ahead of 1992; and a structural evolution taking place within the conti-nent's lighting industry.

A traditional demarcation is breaking down: between light sources - the old-fashioned tungsten filament light-bulb, fluorescent tubes of all shapes and sizes, the most advanced metal halide lamps – and the fittings which hold them and focus their light.

The continent's leading lamp-makers

Philips, Siemens's Osram subsidiary,
GTE/Sylvania and Thorn EMI – are
scrambling to offer "total lighting solutions" instead of obliging customers to make product-by-product decisions. The easiest way to do this quickly is to buy independent fittings manufacturers.

The prey take exception to this part of the strategy, although some have acquisitive appetites of their own. Small and medium manufacturers are branching out from their traditional national bases to seek foreign distribution and co-operative design agree-

Within this context, Europhane's British suitors, Thorn EMI and Emess, could hardly be more dissimilar. They share little more than an urgent desire to gain control of Europhane's local distribution channels, the last indepen-dent network of any size left among French-based lighting manufacturers.

Perhaps more than any other UK company, Thorn is associated with lighting. Founded in 1928 as a marketing operation by the Austrian-born Jules Thorn, later Sir Jules, the company which was to become Thorn Electrical Industries began making light bulbs in 1932. It built up a dominant position in its home market, where it¹ still claims a third of light-source sales and nearly as much of commercial fit-

After Thorn's merger with the entertainment and leisure giant EMI in 1979. however, the original business became, in truth, a light hidden under a bushel. Distracted by troubles elsewhere in the conglomerate, Thorn EMI did not get round to re-emphasising its commit-ment to lighting as a core business until after 1985, when there was a

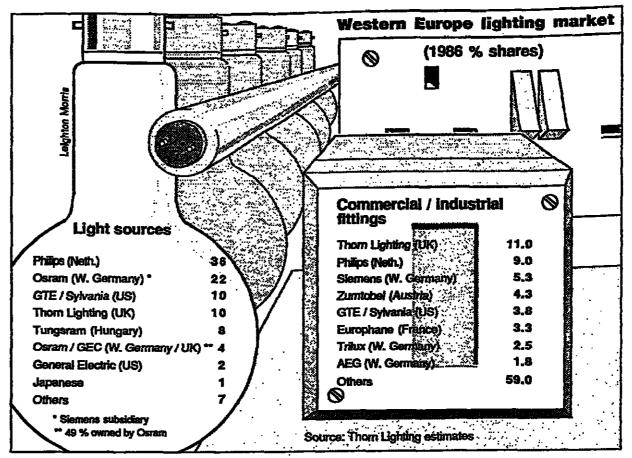
change of manage Emess, by contrast, came to the London stock market only in 1980. After a decade of acquisition-fuelled growth, its lighting sales — it also supplies electrical accessories — are only a fifth of Thorn Lighting's turnover.

Thorn, however, does not mind playing Goliath. Its new offer values Europhane, and its parent group Holophane, an industrial glass manufac-

If Emess should triumph in France, Thorn does not rule out one day casting an acquisitive glance at its rival

turer, at FFr 912.5m (£86.6m). The bid pits Thorn and Emess directly against month, let alone in the campaign and their respective running proper. is another matter. But the good clean fight has helped too. given to Emess last week by holders of a majority of Europhane's sharehold-

> Mr Colin Southgate, Thorn EMI chief executive, insists: "A Holophane-Emess axis doesn't answer the long-term prob-lems of globalisation." If Emess should emerge triumphant in France, he does not exclude the possibility that Thorn might one day focus its acquisitive attention on its rival.
>
> For Thorn, as for its leading world competitors, globalisation stands for



When bigger means brighter

It means that hardware, however advanced or efficient, is important only to the extent that it makes possible the provision of the real product: lighting.

"You deliver a package of light to the consumer," says Greg Rice, president of GTE/Sylvania, the Geneva-based subsidiary of the US telecommunications and electronics group which claims to be the third largest light-source manufacturer in Europe facturer in Europe.

Reliable figures about market positions are scarce. Most companies and national industry bodies keep a tight rein on statistics. Philips, for example, strongly disagrees with Thorn's 1986 stimates (see table) which show the UK company with the largest share of the European fittings market.

Lighting is close to becoming a service business, rather than a technology-driven manufacturing industry. Philips has taken this to the extent of leasing entire lighting systems to cus-tomers on full-maintenance contracts.

Technical innovation - and the ability to finance it - remain important competitive factors, however. They give the four large lamp-makers an advantage over the wide array of independent fittings companies which continue to account for more than two thirds of the European market.

The big groups' strategy is already clear. They account, with associate companies, for more than 80 per cent of the light-source market. And they now also hold four out of the top five places in commercial and industrial fittings. For the most part, with Thorn as a partial exception, they shun the decora-tive fittings and table and standard lamps aimed at the home-furnishing market. Nevertheless, changing tastes have made it easy to stray across the

frontier between commercial and domestic fittings.

The decorative market is even more

fragmented than the commercial sector, exemplified by small companies import-ing and assembling products. In the UK, the 20 per cent retail market share maintained by BHS, the Storehouse chain-store subsidiary, exerts a strong influence on its wide range of small

For a company like Emess, which is strongly represented in both commer-cial and home-lighting sectors, conservative UK design taste and spending habits were one impetus to seek markets elsewhere in Europe. Continental Europeans "are far more adventurous in their design and they spend far more on their decor," says Emess's chair-man, Mr Michael Meyer. West German households change their decorative lighting every three years on average compared with seven years in the UK.

Europe is still markedly less concentrated in commercial light fittings than the US, where the top four suppliers account for more than 50 per cent of the market. None is associated with a light-source manufacturer, reflecting a different pattern of distribution.

idly towards greater concentration. Three of the big four lamp-makers have already made significant cross-border aconisitions Philips became the largest manufac-

turer in France with the purchase of

Compagnie des Lampes, a light bulb and fittings manufacturer.

• GTE/Sylvania also moved into France in 1979, through the takeover of Claude, still a popular brand of bulb. In 1986, it bought Rotaflex, a display light-ing specialist, by intervening in a three-way UK takeover battle.

Thorn EMI bought Kaiserleuchten

in West Germany and Jarnkonst in Sweden, before bidding for Holophane. Only Siemens has stayed at home in West Germany, relying on its domestic base for growth in fittings. In part, this reflects the peculiar nature of the West German lighting market, Europe's hig-gest. In the UK, Thorn is the clear leader, in France, Philips, GTE/Syl-vania and the eventual owner of Eurohane dominate local manufacturing. But in West Germany, it is unlikely that any company has even 10 per cent of the market.

instead, there are half a dozen manu-facturers with about that proportion of

sales, and several more not far behind. Of West Germany's larger light-fitting companies only Slemens and AEG are quoted companies. The others, such as Trilux, Erco, Staff, Hofmeister and RZB, remain determinedly private, often family-controlled. This has made it difficult for predators of any nationality to acquire a local German partner. There are exceptions, however: Thorn bought Kaiser, to merge it with its own Thornlicht operation in the late 1970s. And in September last year, Emess paid £3m for nearly 25 per cent of Brillantleuchten, based in Bremen, the few mi German lighting companies. The deal involved Brillant's controlling shareholders' taking a reciprocal, but smaller stake in Emess.

In this way, says Michael Meyer, each company could retain its indepen-dence but still reap the benefits of cooperation in design, manufacturing and distribution.

For the small and medium independents like Emess, survival depends on assembling a broad range of products and gaining access to distribution chan-nels in each of the main European mar-kets. This week, for example, Emess's

Marlin subsidiary arranged a reciprocal distribution deal with Profilight, a pri-vate Dutch fittings company.

The drive to obtain distribution is The crive to obtain distribution is also whetting the acquisitive aspetite of the giants. "To gain distribution in a cold market is very expensive," says Mr Mike Goodwin, managing director of Philips Lighting UK. An established distribution payments and a grand local distribution network and a strong local identity are invaluable even for companies with a full range of products: both Siemens and GTE/Sylvania approached Holophane after Thorn first announced its interest in the French company. But strong distribution is even more

But strong distribution is even more important for smaller, niche players. F.W. Thorpe, the UK fittings manufacturer, has attended the Hanover Lighting Fair for 19 years, with little to show for it, according to Mr Michael Lippold, the company's chairman. Of Thorpe's the company's chairman. 68.3m in sales last year, only fl.im was exported. Of this, continental Europe accounted for only £229,000.

accounted for only £229,000.

Now Thorpe is co-operating with Britain's Trade and Industry Department, the Lighting Industries Federation and two other small UK companies, to study joint marketing on the Continent. The partners may also try to follow the Emess example of buying a stake in a West Cerman Communication.

continent. The partners may also try to follow the Emess example of buying a stake in a West German company.

In light-fittings, greater concentration is on the way. In light bulbs, meanwhile, it is already an historical fact. "For light-source manufacturers, 1992 has been with us for a long time," says Ernest Magog of the UK's Lighting Industry Federation. "You can't manufacture anything except the amallest-candle lamps on a small scale."

The process is likely to continue. The big four lighting-source producers' collective market share is expected to grow to more than 90 per cent. They alone can afford the research and development necessary to maintain the steady flow of new products which gives them a competitive advantage over the independents. It is also expen-

over the independents. It is also expen-

sive to update production methods.

The hig four, however, are unlikely entirely to squeeze out the competition. Producers such as Hungary's Tungsram, the Comecon leader in lamp technology and in exports to Westampley and in exports to Westamples. nology and in exports to Western Europe, will continue to compete strongly on price in basic light-bulbs, if only to preserve access to hard cur-

Smaller single-market manufacturers may also eke out an existence based on local brand loyalty, but their numbers are likely to dwindle. Among the strongest candidates for survival is Sweden's Luma, but others facing a more uncertain long-term future include Leuci (Italy), Aram (Finland), Crompton (UK), and Lindner (West Germany).

The odds, in any case, are against any significant new entrants into the European light-source market. Japanese producers have limited their European

Hardware is important to the extent that it makes possible the provision of the real product - lighting

pean presence to the occasional specialised product. And General Electric of seems too uncertain about its role in lighting to contemplate extending its relatively token European operations.

relatively token European operations.

The same arguments increasingly apply to fittings. Considering the structure of the European market, only a lamp manufacturer – or a stubborn independent like Emess – is likely to gain much advantage through swallowing up smaller fittings makers. "It's different token in the same of the sam ficult for me to see a complete outside getting into it," says Greg Rice of GTE/ Sylvania. Concentration will continue; West European companies will be the ones that dominate.

Mitterrand's manifesto

on Wednesday the French Government was said to be preparing to put pressure on Britain to join for the cancellation of the debts to put pressure on Britain to join the exchange rate mechanism of the European Monetary System; the same afternoon it released details of its proposals for the cancellation of a third of the debt of repayment and the variations of repayment and the variations of repayment and the variations. of the poorest developing coun- We have been warned.

tries.
The coincidence looked like an Alternative

Other proposals which would ease the debt burden also deserve consideration. Debt equity swaps are unlikely to attract much support but a feasible alternative at the end.

The coincidence looked like an orchestrated campaign. It was in fact just the coincidence of two international meetings: the Economic and Finance Ministers of the European Community at the beginning of next week, and the western economic summit in Toronto at the end.

Owen in health

Owen in health

Owen on the four, as their first coincidence looked like an orchestrated campaign. It was in fact just the coincidence of two international meetings: the Economic and Finance Ministers of the European Community at the beginning of next week, and the western economic summit in Toronto at the end.

Debt relief is only one element in a solution to the continent's problems. The Wass report warned that Africa's recovery programme needed at least set. of the European Monetary Sys-tem, and the creation of some kind of institutional superstruc-

of the position adopted by Edouard Balladur, Finance Minisgap of 51bm a year which would ter in the Gaullist-led govern-have to be filled by bilateral ment, and it appears that firm ment, and it appears that firm instructions had to be sent out The essential requirement is to from the Elysée to the Finance Ministry, to overcome the initial reticence of the administration.

The Toronto summit provides address published at the beginthe opportunity not only to
endorse President Mitterrand's
debt package, but to set in train
the level of French aid to the
June 3 in bright weather which

Observer

by-election. It suggests that health will play a prominent part

in the campaign.

Owen's book on the Health Service will be published next week. It is also the 40th anniversary of the Health Service and the Ken-sington Express has a coupon inviting readers to answer the following two questions.

We think that running a

tery whose proceeds go to the NHS is a good idea. Do you? We think that turning premium bonds into health bonds with the profit going to the NHS is a good idea. Do you?

Foggitt's birthday

■ Bill Foggitt's forecast for the weekend is a little bleak with a continuing east wind and more light drizzle but nothing heavy. reticence of the administration.

President Mitterrand has long his forecast for a blistering sum-



"I wanted to congratulate them, but the phone's out of order." seen snow any later, but says his

grandfather recorded a heavy snowfall on July 18 1888, although other contemporary records have it as hail

Deep waters

■ The water polo party which toured South Africa earlier this year may know whether it is safe to go back into the pool after the

The Amateur Swimming Association which imposed a ban on national league games when it beard of the tour, lifted the ban when it failed to flush out the guilty players.
The ASA has now handed the

matter down to its Southern Counties District which is to hold a "Judicial Tribunal" on Saturday. This fearsome sounding body

will be meeting at a secret venue somewhere in London, according

whether they turn up remains to

NICs become NIEs ■ The word has gone out from the organisers of the Economic Summit of the seven leading industrial democracies in Toronto later this month – henceforth the newly industria-

lised countries, commonly known as NICs, shall be called NIEs for as NICA, shall be called NIKS for newly industrialised economies. As the Canadians were prepar-ing for the summit, they were approached by a senior Chinese diplomat who protested that the use of the term NIC implied that Taiwan was a country. Other NICs along with Taiwan are South Korea, Hong Kong and

Singapore.

The Canadians took the point. According to Japanese foreign ministry officials, the term NIEs started to appear on all documentation emerging from Ottawa about three weeks ago. The Canadians explained that NIC was also an inappropriate description of Hong Kong, which remains a British colony.

"The change has been accepted by all the summitteers," a Japanese foreign ministry official said yesterday.

Man's best friend ■ John Golding seemed determined yesterday not to become too preoccupied with criticism of his leadership of the National Communications Union.

Delegates at the union's annual conference in Blackpool were debating a motion which called on their general secretary to resign because of his failure to answer allegations in the News of the World newspaper about his private life.

As the debate was in full swing, Golding kept one ear open for the result of the 2.08 at Hackney where a dog in which he has a share was running.
The motion against Golding was passed, but the dog won at 5 -1. Before the race Golding attempted to have the dog's name changed from River Road Flash

High profile BAKER to Stab Yer Mate. The Rennel

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The costly secret of NHS reform

BRITAIN'S Conservative Government will come under very nearly irresistible pressure to spend yet more taxpayers' money on the National Health Service money on the National Health Service before it next goes to the polls. By more I mean more in cash terms, more in real terms and more as a share of gross domestic product. That kind of more, it does not want to do it, but it will almost certainly have to. The Prinne Minister, Mrs Margaret Thatcher, has spent most of her political life trying to find ways of reducing public expenditure, but she will not find it easy to escape this one.

escape this one. For the tides are moving against pen-ny-pinching, especially when it comes to health. Mrs Thatcher may be the most powerful, and perhaps even the most radical, Prime Minister in British most radical, Prime Minister in British history, but she is aware that the NHS is not only a mightily expensive (£22bn and rising), 40-year-old monument to a socialist past. It is buried deep in the British psyche, a comforting and "free" home to go to whenever illness strikes. People like to know it is there even if they are middle-class and even if they or their commanies buy private cover or their companies buy private cover for non-urgent, specific treatments. Poll after poll indicates a high degree of user satisfaction with its ministrations. The Conservative promise at the 1987 General Election that "the NHS is safe

The vital element has so far escaped general notice. It needs spelling out. If the NHS is made more efficient it will cost more.

in our hands" was not made lightly. It was politically necessary then. It is

likely to remain so.

This perception is the key to understanding the present spate of inspired leaks and guesses about the likely outcome of the Government's current

review of NHS policy. The review was brought on by a typi-cal bout of NHS-itis: nurses, doctors and hospital administrators spent most and inception animinations spent most of last year jumping up and down, waving shrouds and asking for more — as they have done at regular intervals since the founding of the service in 1948. The Labour leader, Mr Neil Kinnock, based his powerful winter campaign extinct the Communication of the service of paign against the Government on its "underfunding" of the NHS. Fate inter-vened. The Secretary of State for Social Services, Mr John Moore, caught pneumonia and spent five weeks away. He came back weak in voice and lost what had previously been a glamorous politi-

Mrs Thatcher decided that Some-

thing Must Be Done. She announced that she would personally take charge of an internal review of health policy. And, after a decent interval, Mr Moore was permitted to pay the nurses a generous wage increase, all of the excess cost to come as an extra on top of the

then existing health budget.
This two-pronged approach has been successful. Mr Kinnock has stopped banging on about the health service. Mr Moore has recovered to glowing Mr Moore has recovered to glowing health: he still has a touch of preacher's throat, but it is nothing that a good hiking holiday in the Alps will not cure. As to his reputation, he is no Peter Walker, a tolerated Wet; he is one of the most reliably Thatcherite members of the Cabinet. He has worked hard on his comeback, addressing a couple of meetings of backbenchers and putting across his case with fair competence at recent party conferences in tence at recent party conferences in Buxton, Edinburgh and London. If people are not yet willing to bet on his political longevity they are at least no longer predicting his immediate politi-

Of perhaps greater importance is the fact that the policy review is now being taken seriously — possibly too seriously. The Prime Minister apart, the two key Ministers are, of course, the Chancellor of the Exchequer, Mr Nigel Lawson, and Mr Moore himself, in that order. But it is getting around in the Cabinet that this is a very important matter, the leading element in the Tories' medium term revolutionary strategy for the further restructuring of Britain. Even ministers as theoretically remote from the action as, say, the For-eign Secretary, Sir Geoffrey Howe, are apprised of the significance of what is being discussed. (Sir Geoffrey is per-haps a special case, since he sees him-self as having been running alongside the Prime Minister on all major matters of policy since she became leader of the

party in 1975.) From the Government's point of view the trouble with all this is that it has aroused within the Conservative party an expectation of greater revolutionary change than it would be politically prudent to deliver. Some on the right want to wind up the NHS altogether as a piece of "socialist baggage", and to replace it with private insurance. Such schemes have been talked out. The schemes have been talked out. The upshot is that even the three leading right-wing think-tanks are putting forward proposals that are either described as "evolutionary" or extend the life of a national, taxpayer-funded service, while the private sector is stim-ulated by means of a variety of devices. There will certainly be some effort to enlarge the scope of private medicine, but just how much is still a matter of fine political judgement. General tax relief to set against health insurance would be politically unpopular and is anyway opposed by the Treasury. The



technical arguments against it are that it would let existing subscribers off the hook, at a very high cost to the Exchequer, and that people would demand relief for the purchase of other social goods, like education.

goods, like education.

These arguments fall away if the relief is confined to the elderly, since most of them do not have school-aged children (so they would not demand relief for spending on education), and the number of existing pensioner-subscribers to medical insurance schemes is small. The deal insurance schemes is small. is small. The tax loss to the Treasury would be a mere £25m or so in the first year. You can see the Prime Minister year. 104 can see the rank selling it on TV now: people for whom private insurance is bought by their companies suddenly lose that advantage when they retire and may most need it, she would say. We should help them buy it privately rather than turn to the state

A special tax concession for pensioners who buy private health insurance is therefore a strong runner. It should be seen for what it is: the thin end of a wedge, consciously chosen by Mrs. Thatcher's free market ideologue advisers as the best political chance of making a start at eroding the NHS. Since everyone knows this, the Government is already rehearsing the protestation that the Treasury is adamant that it would not move an inch beyond the retired population with any such

Yet Mr Moore would also like some form of "opting out". In theory this means that people who undertake not to use the NHS and insure themselves privately would be relieved of that ele-ment of their tax or national insurance bill that applied to the health service. A wholesale change of this kind would run into many political and technical obstacles. A more limited aim (the thin end of another wedge?) is therefore a partial scheme, whereby people would produce evidence that they were insured for the private provision of specified non-urgent treatments. These would not be provided to them by the NHS. They could then claim a tax rebate for that part of the health service on which they would not be making a claim. This would be harder to sell than tax relief for the elderly, but it

still a possibility. There are other ways of stimulating the private sector. The health insurance groups have been encouraged to market their products more aggressively, with special low-price packages. The trading of services between the private and public sectors is growing. There will be further supply-side initiatives from the Government. The charges made by private consultants could be published alongside the far lower costs of their services within the NHS. Sheer market transparency might

then reduce overall costs, and therefore the costs of premiums.

All these wedges are still to be driven in at the thin end. They may not get very much further, however much the right wants them to. For the simple fact is that the vast bulk of the country's health needs will be met by the NHS for many years to come. It is for this reason that much of the review is about "improving the efficiency" of the

Mr Lawson signailed as much in a speech to the British Medical Associa-tion in Leicester last week. Manage-ment information must be improved. There must be a growing awareness of costs. Mr Moore has given much thought to the idea of an "internal market", whereby one region of the NHS is free to purchase services from another, or from the private sector. Others argue that general practitioners could do more in their surgeries, thus relieving the burden on the hospitals,

Never mind the details of all this. The vital element has so far escaped general notice. It needs spelling out. So here goes: if the NHS is made more efficient it will cost more. One reason is that many tasks currently remain undone, as people wait in queues or give up hope of treatment. In a computer-linked system blessed with the free-dom of an internal market, unit costs would fall, but the gross throughput would rise. On top of that, the service's inbuilt propensity to invent new treatments, screenings, or diagnostic devices would be enhanced by greater efficiency.

This is now perfectly well understood by the Prime Minister, although it has taken a little while for the penny to drop. It is also clear to Mr Lawson: in his speech at Leicester he compared the "non-cash-limited" status of general practitioners to that of the cash-limited hospital sector. The internal market and other efficiency devices so far mooted remove some of the Trea ability to control overall costs. New controls are possible, but not necessarily desirable. They might provide an opportunity for the opposition to point out that the review has merely replaced one form of tight Treasury rationing by another. Looser constraints - that is extra cash for the NHS - would placate Conservative doubters at a time when tax relief for the elderly was, being introduced. More money might also soothe GPS and consistences in time when many structural changes in the NHS would be unsettling them. It be "played in a social vacuum".

Nor can it be simply the workalso soothe GPs and consultants at a

even in the enterprise society.

The review has not yet solved this central dilemma, which may be one reason why Mr Moore is wondering whether its conclusions will be available in time for him to amounce them at the Conservative Party conference in Brighton in October.

Lombard

Ethics and the businessman

By John Lloyd

"ARE ETHICS and business nec-essarily at loggerheads?" The question was posed last night by a new creature: a Professor of Business Ethics. This creature will multiply and divide and busi-ness had best get his measure

His name is the Reverend Pro-

essor Jack Mahoney: he is a Jesuit, a master of arts and a doctor of divinity. He has founded, and is the first director of, the Business Ethics Research Centre, located at King's College in London. He posed the question in his inaugural lecture. In the course of that lecture, he reminded his audience that, while new to Europe, the subject is more than a decade old in the US. As US culture exports, through the medium of the film
"Wall Street", the Ivan Boesky
imperative - "Greed is Good" so it also exports its antidote: "Can you be greedy and good?"

The question was not wholly answered last night: indeed, it was fundamental to Professor Mahoney's lecture that it could not be answered. Instead, a process should start, within certain parameters.

Milton Priedman: that (as he put and defence. On an optimistic it) "the only obligation which reading, the market is willing to business has in and to society is come to the professors just as the to get on with the job of producing profit for its shareholders and that managers should be recognised as no more than the again. nised as no more than the agents appointed to carry out the purposes of the shareholders."

Professor Mahoney's optimism; or, as Charlie Brown put it, "it's not the principle of the thing, it's This, Professor Mahoney said, was in practice impossible. Busi-

ess cannot be quarantined from ethical principles. It depends on state withdrawal: and the busi-them for its existence, since it ness people need the professors of loyalty and of respect for prop-erty for granted within and without its walls. It cannot, in short, they are proposing for themforces which, because they are subjected to the market solvent, stripped of human affects, are a new way of behaving is thus beyond moral claims. On required which may be — should

policies by the selection of approprinte means, are all human actions."

That is one parameter: but it is

two-sided. In the same way as business cannot be quarantined from ethics, nor can ethics be quarantined from business. It makes no sense, Professor Mahoney argued, to adumbrate an eth-ical code and then use it as a club with which to beat business each time it transgresses that code.
"Such an approach runs the risk of moral imperialism . . . business ethics, if it is to correspond not only to the claims but also to the true facts of the situation, must be in the nature of a dialogue between the business com-munity and the rest of society...

The point of the lecture - and the project for the Centre - is to begin the development of a relationship between two open systems. That is possible, said Professor Mahoney, because, on the one hand, business (in the US at least) has recognised the moral imperative: the first conference on the subject, in 1974 at the University of Kansas, was jointly sponsored by business and the subject has been sustained by it. On the other, ethics has become One of these parameters is more activist, more concerned what the Professor saw as an now to debate ethical values in extreme staked out by Professor such areas as medical technology

not the principle of the thing, it's the ten cents". The professors need business because they need takes a certain level of honesty, because they must find an ethic for the greater role they are being asked to play - and which selves - in society. As the walls which the old corporatism maining out of impersonal forces - tained about its discrete parts are the contrary: "the collective be - uncomfortable for the new choice of goals and policies, and actors but which has to be the individual choices to accept learned. Professor Mahoney and and implement such goals and his Centre come in good time.

Equal treatment in EC banking

Mr G.E. Fox Sir, Two factual points in David Lascelles' otherwise admirably accurate account (June 7) of the European Commission's proposal for a Second Banking Co-ordination Directive call for

some qualification. First, the article states that "Any non-EC hank will be able to enter the integrated market by obtaining authorisation from one member. But a branch will not be enough; it will have to have a legal entity such as a subsidiary." This may create the impression that foreign branches' entry into EC member states will be restricted by the terms of the second banking directive.

This is not the case. Member states will remain free, as at present, to admit foreign bank branches, provided that they are not more favourably treated than branches from other member states. Such branches, however, will not automatically have access to the banking market in other member states; again, this is the situation at present and the proposed Directive makes no

change in this respect. Second, in commenting on the should take the form of a heavy weighting for capital ratio pur-poses rather than an absolute limit.

In fact, the proposed directive offers the member states precisely this option. It provides that, instead of limiting "qualified participations" in non-banking companies to a maximum of ing companies to a maximum of 10 per cent of a bank's own capi-tal, member states may instead excessive shareholdings in non-banking companies from their capital base, inter alia, for the purpose of computing the capital adequacy ratio.

vission of the European Com-Rue de la Lai 200.

Letters to the Editor

'Credible' judgement needed

From Mr P.A. Lumkin.

Sir, Mr Michael Barnes QC is months of the inquiry, because it to be congratulated on the admi- will be assumed by many people rable way in which he performed that his independence and unbi-his unenviable task as inspector ased position will be put at risk at the pre-public inquiry meeting by the continuing presence of the held near Bridgwater this week.

With an audience of more than of Energy guiding and assisting 500 objectors to the Central Electric Property of Energy guiding and assisting his deliberations. It is analogous tricity Generating Board's to having a judge in the High (CEGB) proposal to construct Court being assisted and advised water reactor) muclear reactor as of Energy) of the offender (the the next nuclear plant in Britain CEGB) who is on trial in the wit-after the Chernobyl disaster, Mr ness box.

Kings Cross has a wild side

From Mr Jeremy Iles.

Sir, The re-development of good for the thousands who will kings Cross brings great opportunities for "getting things tright." London Wildlife Trust aurants. Street Natural Park, right in the centre of the development area. We are talking to Rosehaugh Stanhope about the future of this site, and have published a "Strategy for Wildlife" for the whole

Hinkley "C" PWR (pressurised by two brothers (the Department

Barnes was noticeably sympathetic to the concerns being the controlling statutory department of the Central Electricity tered as official objectors at the Generating Board. Its employees forthcoming public inquiry due to exact in October tariat team which is assisting the Representatives of The Power inspector. The secretariat team Trust at the meeting were con-should be composed of indepencerned to note that Mr Barnes's dent assistants whose unbiased

task was not made easier by the presence of two employees of the body which has endorsed the CEGB's application, flanking him on either side and effectively action. Second, in commenting on the right of banks to own stakes in mon-banking companies, Mr Last celles reports the view of European bankers that any control favourable response to requests nuclear reactor between Mine-

from objectors for consideration head and Weston-super-Mare. of important issues in accordance Paul Lumkin, with the wishes of the majority of The Power Trust, electricity consumers.

Brompton Ralph,
Mr Barnes' task will become Taunton, Somerset

manages the two acre Camley

egy for whather for the whole area.

What we have at Kings Cross is an opportunity for innovation and a chance to create something and a chance to create something and a chance to create something area.

The opportunity to break the mould of 1980s "toy-town" developments is too good to miss. The decisions made at Kings Cross will influence developments well (FT, June 4) embolden into the 21st century. We have into the 21st century. We hope that wildlife will be an integral

Internal affairs of Singapore

From the High Commissioner of Sir, I refer to the article by Roger Matthews entitled "Singa-pore slaps the hand that feeds it" (May 23).

Your article states that the "mounting implication is that" the Singapore government "believes itself to be the target of a plot by the Central Intelligence

Agency.
The Singapore government accused Mr Hank Hendrickson and certain other US diplomats of interfering in Singapore's internal affairs. It has not linked the Central Intelligence Agency, nor the US government itself with the activities of the IIS dinlomat In fact, the Singapore govern-ment statement issued on May 201988 clarified that it has not alleged that the improper behaviour of the US diplomat was sanc-tioned by the US government or represented official US government policy. The Singapore and US governments have expressed the desire to leave this sad epi-sode behind us. It is regretted that the article did not take account of such clear government statements.

The article also implied that the Singapore government's arrest of Francis Seow smacked more of domestic repression than foreign interference. Francis that the US diplomat sought to identify potential opposition politicians, cultivate them and advised and instigated them to oppose the government. This clearly constitutes foreign med-dling in the internal affairs of Singapore and justifies the gov-ernment actions. Abdul Aziz Mahmood 2 Wilton Crescent, SW1

From Mr Angus Phaure. Sir, Mrs Ann Chiswell's letter (FT, June 4) emboldens me to ask: am I the only man in the City to wear black leather gloves in bed at night? Angus Phaure Mount Meru, Marsham Lane.

> Every airline in the world risks the attentions of terrorists and no

judgement.

Operating an international airline

demands the highest standards of

experience. Inevitably, there are

experience are put to the severest

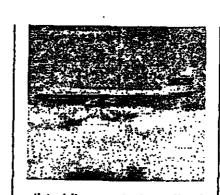
test. And it is on such an occasion

that the world pronounces its

carrying millions of passengers

training and many years of

occasions when training and



A Nation and the World

congratulate a pilot, an airline and a government...

"... they are acting to safeguard not just their

own interest, but those of the whole aviation

community."

pilot, airline or nation has suffered a more severe test than in recent weeks.

We gratefully acknowledge the courage and dedication of Captain

Yousef and his crew but also extend our gratitude to Kuwait Airways crews everywhere around the world for maintaining such exemplary standards. We are proud of you.

Professor Paul Wilkinson, Chairman of the

Research Foundation for the Study of Terrorism.

The world's media has saluted the courage and resolution of our people and we join them in congratulating our pilot and our Government for making the world a safer place.

'Thyssen long ago ceased to be a typical steel producer'

Prom Dr Hanns-Jürgen Kunze. for Budd, to be paid by Thyssen Sir, We read with great interest in dollars, was a very low one, your article. "European steel issues forge ahead on foreign in 1978 and 1979. Today Budd is demand" (May 24). With regard one of the most profitable subsident Thyssen this article contains

to Thyssen, this article contains certain misunderstandings.

The article states that "Thysen of the steel quota system for sen's acquisition of Budd, the US hot and cold rolled steel) "will antomotive parts group, was mean strong downward pressure poorly timed". At the time of the on prices from which Thyssen in

acquisition (April 1978), the dol-lar/D-Mark rate of exchange was This statement is completely lar/D-Mark rate of exchange was very favourable to the taking of unfounded. Thyssen Stahl has manufacturing and trading comsuch a step. The purchase price the most up-to-date production pany with numerous profitable

for Budd, to be paid by Thyssen facilities in one of the best locations with the lowest costs in Europe. Even during periods of low steel prices. Thyssen Stahl has always made profits in its most important product groups.

> Finally, the article implies a close relationship between steel prices and the Thyssen share price. Thyssen long ago ceased to be a typical steel producer.

high-speed trains or modern manufacturing systems which have nothing at all in common with the production of steel. The stock exchanges have been aware of this fact for quite some time

Hanns-Jürgen Kunze, Generalbevollmächtigter Thyssen, Kaiser-Wilhelm-Strasse 100,



FINANCIAL TIMES

Friday June 10 1988



Tel: 0633 246906

Bolivia's determined war on want

above La Paz, nearly 4,000 metres above sea level, former tin min-ers are laying the fo-indations of small adobe brick houses. About a hundred mining families have been living in tents on the edge of the city since last year.

The women walk 500 metres to

the nearest water tap, which drips into ice-rimmed puddles in what is now the middle of the southern winter. Most of the chil-dren are in school, and a few of the younger men have found occasional work. The houses, like

many things in Bolivia, are funded mainly by foreign aid.

The miners are victims of "relocation" and "restructuring" schemes essential to the Govern-

schemes essential to the Government's struggle against five-figure inflation rates and chronic budget deficits.

The administration's success - measured in terms of IMF backing, 11 per cent inflation during 1987 and a relatively stable currency - has not extended to a long promised "reactivation" which would mitigate the harshwhich would mitigate the harsh-ness of President Victor Paz soro's New Economic Pol-

icy.

The Government has already had to reduce the 1988 growth forecast from 4 per cent to 2.5 per cent, and foreign specialists doubt whether this can be achieved. Although years of contraction have given way to a 2 per cent growth rate in 1987, income has fallen to about \$560 per head. By many standards, including infant mortality and malnutrition, Bolivia is the poorest nation in South America.

Mining production has been dropping steadily as a result of low prices and closures. Last year's tin earnings were down to less than \$70m, representing 12 per cent of export income. But the state mining company, Comibol, which now accounts for

less than 10 per cent of output, hopes to rehabilitate several mines. New legislation to attract foreign investment is also planned. Gold production in the high Andes and along the Amazo-

Sarita Kendall looks at how one of South America's poorest countries is faring in the fight against poverty, inflation and

political

uncertainty



nian tributaries is already gress is expected to limit the crop increasing, although much of it to certain areas, prohibit new filters illicitly across the border planting and promote crop substifor sale in Brazil

Some redundant miners, unable to find employment in cities or the coca-growing valleys, have returned to join co-operatives working the silver mountain at Potosi on the high plain. Although the mountain looks like a huge, well-sifted pile of rubble, recent studies suggest that modern techniques could extract more silver than was mined in Spanish colonial days which ended in the 1820s.

The decline of the mining

workforce has also produced an important political effect by draining off some of the most combative sectors from Bolivia's powerful trades union organisa-

While the traditional unions no longer paralyse the country with ease, coca farmers are becoming more aggressive: thousands of growers have joined protest marches in La Paz and Cocha-bamba, and blocked roads to the main producing areas in the Yungas and in the Chapare river val-

Growing coca - the raw material for cocaine - is legal and an ancient tradition of the indige-nous people of the Andes, but a new law being discussed by Con- anti-drug efforts have not been as force this process

Although coca and coaine prices have tumbled in recent months, coca is still the most resilient source of income in much of eastern Bolivia, covering some 80,000 hectares of land. Drug experts are quick to point

Bolivians anxiously insist that they do not have a cocaine prob-lem of Colombian intensity – vi-olence is rare. But cocaine has

The appearance of "narco-vi-Roberto Suarez, reinforces the political connections

year, compared with earnings of gest achievements has been to second per annum in the past. gest achievements has been to reduce the surprise element, and

Japan gives effortless vigorous as its anti-inflation cam-paign, financial backing for both is flowing in. The United Nations boost to has projects in coca areas worth more than \$40m (including some \$4m from the UK). Creditors, overseas

\$4m from the UK). Creditors, appreciative of Bolivia's New Economic Policy, have been lenient, while donors are responding to the need for aid—especially food—and the country receives strong support from multilateral organisations. In a visit to Washington during May the economic team managed to tie up a package involving an IMF structural adjustment facility and some \$70m from the World Bank to buttress the financial system and provide working

cial system and provide working capital for the private sector. However, the country is already gearing up for next May's general election, and the business confidence which has been so carefully nurtured is bound to

Oil and mining companies, con-vinced of the richness of Bolivia's natural resources, are keen to buy in if this unprecedented period of political stability lasts. Local companies show less optiout that the peasant defence of mism as shutdowns continuous cocargowing also benefits ue for example, in the shoe cocaine traffickers, and they industry wages lose purchasquestion some of the anti-imperialist, pro-tradition rhetoric behind the protests.

Definition of the continuous c

Few analysts give this govern-ment's Planning Minister and economic strongman. Mr Gonzald Sanchez de Lozada, a chance in olence is rare. But cocaine has the elections. At present he is permeated most national institu-

The ADN has been damaged by deos," showing meetings between its association with this govern-party leaders from the National-ist Democatic Action (ADN) and the country's cocaine king, Mr Intionary Left Movement (MIR) is coherto Suarez, reinforces the cashing in on an "opposition within the establishment" stance.

Low prices – largely due to The possibility of a united left increased production — mean wing seems remote, although as that Bolivia's cocaine income (all illegal) will probably drop to between \$200m and \$300m this One of the Government's big-

Although the Government's a peacful handover would rein-

Mr Alfred Kingon, US Ambas

sador in Brussels, hit back last night, saying that while Wash-ington would happily look at

each complaint made by the EC he "wished the Community

would do the same for us on

He described Mr De Clercq's

arguments and watch the vision

aid plan JAPAN will announce a five-year

By lan Rodger in Tokyo

plan to boost its overseas devel-opment aid at the economic summit in Toronto later this month.

The plan is one of three main elements in the foreign policy that Mr Noboru Takeshita, the Prime Minister, outlined in a speech in London early last month. The other elements were improving relations with Western Europe and making greater con-tributions to world peacekeeping

The final details of the aid plan are still being worked out by government officials, but its main objectives will be to improve sub-stantially both the quality and quantity of Japanese aid. The country's aid budget has frequently been criticised for

being relatively small and, in effect, for being a part of its export effort. In 1986, 29 per cent of its aid spending was tied, requiring recipients to spend the money only on Japanese goods

Now, the aid programme is seen by the Government as one of the main ways in which the country can fulfil its enhanced world leadership responsibilities. Japan, which is now the

world's largest creditor, began trying two years ago to improve its aid policy, undertaking then to double its annual overseas aid budget from \$3.8bn to \$7.6bn by 1992. However, as a result of the bear rise in the relies of the the property of the transparence. sharp rise in the value of the yen, that target was probably reached

strong economic growth rate, the ratio of aid spending to Gross National Product, the measure by which industrialised countries compare their aid efforts, has remained ignominiously low. The average among industrialised countries in 1986 was 0.35 per cent but Japan's was only 0.29 per cent. Last year, Japan's spending rate may have crept up to 0.31 per cent of GNP.

Early last year, the Govern-

Early last year, the Government reacted to the new circumstances by bringing its doubling target forward by two years. In response to growing criticism of its huge current account surpluses, it also launched programmes to recycle \$30bn over three years in loans to Third World countries and to provide \$500m in grant aid to sub-Saharan African countries.

The yen's rise has made it all rather effortless. This year's aid budget is the equivalent of \$10bn, which would make Japan the largest supplier of aid in the world, exceeding the US budgeted

figure of \$8.8hn.

Meanwhile, the criticisms of the quality of Japan's programme, far from abating, have actually increased. Recipients of Japanese loans, for example, are confronted with having to repay in revalued yen, and they are demanding relief.

The major overhaul in the works is intended to deal with all of these problems. Foreign ministry officials say that Mr Takeshita will set specific targets on vol-ume increases in overseas aid when he unveils the plan in

The Foreign Ministry is lobbying hard for a target of 0.4 per cent of GNP, which would put Japan in line with the European

Community average.

However, the Ministry of Finance is nervous that, because of the high rate of Japan's eco-nomic growth, this would mean committing more money to overseas aid in the next few years than could be prudently man-

aged.

The Government also plans to: raise the proportion of grant in raise the proportion of grant in the overall aid programme – in 1986 it was 81.7 per cent com-pared with an average of 93.2 per cent in the industrialised coun-tries; make a large portion of aid untied; reduce the interest rates on yen loans; provide relief for debtors affected by the yen's rise.

sify the recipients of Japanese aid. Traditionally about two-thirds of aid has gone to East Asian countries, but the Govern-ment has accepted that it now

Another aim will be to diver-

has global responsibilities.

While the Government has baulked at US demands that it increase its aid to what the US countries, such as the Philippines, Pakistan, Turkey and Portugal, it is increasingly conscious of its own interests in selecting countries for aid.

For example, the disbursement of the \$500m aid in sub-Saharan Africa has been done in part with an eye to winning allies in Africa who might be supportive of Japanese causes in the United Nations, Similarly, Japan will be a major sponsor of reconstruction efforts in Afghanistan, in support of the UN. The country is also eager to help in Iran and Iraq, if and when circumstances permit, because of its dependence on oil

THE LEX COLUMN

BT pleases some of the people

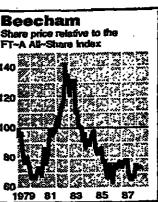
With 22m customers, a workforce of 230,000 and annual sales of over £10bn per annum, a 10.9 per cent rise in British Telecom's annual pre-tax profits to £2.3bn was hardly going to please every-body. To the workforce, which accounts for nearly half BT's £7.6bn operating costs, the profits give a clue to the sort of wage increases they might be able to look forward to in the coming year, but for customers there must be a certain suspicion that if the company had earned a little less, its quality of service might have been a bit better.

BT is in the uncomfortable position of knowing that however well it does, it will displease some of its constituents, espe-cially during a period when its pricing structure is under review by Oftel. Consequently, share-holders should realise that its lat-

est profit figures are not for their consumption alone; and there must be a certain satisfaction that were it not for the presence of Oftel and the embarrassing level of complaints, the earnings and dividend would have been higher, and the shares would not be trading at a discount of

around a fifth to the market.
Fortunately for BT, its efforts substantially to improve its quality of service have been cushioned by a formidable rise in its underlying business over the last 12 months, with growth rates of 8 per cent and 14 per cent for domestic and international calls, spectively. This has enabled it Also, because of the country's strong economic growth rate, the in staff costs. This sort of traffic ratio of aid spending to Gross

The rival bids by Thorn and Emess for a French lighting commarkets at their peril — as the reported 15 per cent rise to Emess has discovered. It has \$406.5m in full year pre-tax prof-made a rights issue in London on its. Meanwhile, an 11 per cent the strengths of irrevocable rise in underlying sales is hardly undertakings by Holophane's the sort of figure that will shareholders in Paris, only to distinct those undertakings think of Beecham as a growth could be anything but Vester. could be anything but. Yester-day's counterbid from Thorn EMI shows that it, for one, believes investing heavily in its future. ties probably justify any that in France such agreements Research and development pennies on the share price.



can be bought off by a 15 per cent increase in the offer price. The whole issue will probably be decided by the French courts; but it is hard to see how Paris can hope to become a major financial centre if promises are not made

Thorn is clearly not to be blamed for testing the grey areas in French law. However, its announcement — which hints that its has the support of Holophane, despite the fact that the company itself denies it — is surely to be deplored under any set of market rules. Thorn also set of market rules. Thorn also seems to be asking its shareholders to believe a great deal about 1992 in offering over 20 times earnings for a little company with an unexceptional record.

Beecham There are two ways of looking

Beecham's performance. Either the company is pacing itself in order to ensure that it can deliver consistent annual earnings growth in excess of last year's 16.3 per cent, or the new management team is taking longer than expected to restore the group's former momentum. Until the answer is clearer, the shares - currently trading on a prospec-tive multiple of a shade under 13 - may find it difficult to maintain their premium rating. While foreign exchange movements knocked £24m off the pre-tax conduct of takeovers. At the level, changes in financing moment companies straddle two charges accounted for the bulk of markets at their peril — as the reported 15 per cent rise to

company.

To be fair, the group has been

spending is up by 13 per cent and advertising and marketing expenditure has jumped from 18.8 per cent of sales to 21.5 per cent. This should start to show through in higher sales growth over the next year, otherwise questions will be asked. While the group's over the counter business has been performing below par, it has been more than offset by continued strong growth in prescription strong growth in prescription drugs, with Amazil holding its own and Augmentin sales grow-ing by 62 per cent last year. With luck Beecham should be able to maintain the momentum on this side of its business until drugs, such as Eminase, take up the running in a couple of year's

The City thinks regulated utili-ties are so dull that it is forever trying to present BAA in a more fashionable guise. At the first sight of it selling teddy bears at Gatwick North, the market toyed with valuing the utility as a retailer; whereas BAA's recent purchase of a smallish property company has set everyone con-structing likenesses with Associated British Ports.

Yesterday's announcement shows the folly of such compari-sons, and demonstrates that the "dull" business of operating airports can produce profit growth
of over 30 per cent. Admittedly,
this year will be less good, as the
new terminal at Gatwick may
cost an extra £12m, and the great 15 per cent increase in traffic las year should return to a more mal 6 per cent or so. Even though reported pre-tax profits could reported pre-tax profits could reported pre-tax profits could reported pre-tax profits to well show another big rise to about £168m, some £16m will be due to a new policy of capitalis-ing interest. As a private company, BAA can do as much window dressing as it chooses; shareholders should only take note that quality of earnings

have been traded for quantity.

Meanwhile, yesterday's revelation that the amount of property available for development is a mere 474 acres, much of which is on Prestwick's doorstep, was disappointing to those who were already thinking of BAA as a property company. As a straight utility, BAA is on a multiple about 20 per cent higher than the market, perhaps a bit more than is justified by its monopoly in a gently growing market. But while it may not yet be a retailer, a consultant, a hotelier nor a property group, such opportuni-ties probably justify any extra

Britain will urge action on African debt crisis

A FIRM plan of action to ease the debt burden of sub-Saharan Africa will be a key British objective at this month's world economic summit in Toronto, Mr Nigel Lawson, the Chancellor of the Exchequer, said yesterday.

In a move aimed at regaining the initiative in efforts to help some of the world's poorest countries, Mr Lawson said it was essential to not merely give them more time to repay debts but also actually to reduce the burden.

Mr Lawson welcomed recent statements by President Mitterrand of France and by Mr James Baker, the US Treasury Secretary, which he said suggested that a consensus on the need for action was emerging. Earlier this week, Mr Mitter-

rand said that France was pre-pared to write off one-third of the debt of around 20 of the poorest nations as part of a three-point plan to restore them to solvency. The Canadians and West Germans have also indicated that they would like to share in the credit for any deal at the summit. Mr Lawson, who launched his own three-point debt relief pro-gramme 14 months ago, is keen to ensure that the seven summit

nations agree a specific proposals rather than simply issue a commitment to increase assistance. rates on such debt to 3 per cent

below market rates.

The proposed interest rate reduction has provoked objections among other Western governments, notably West Germany and Japan, and Mr Lawson now appears to accept that either debt write-offs or increased aid payments could provide an alternatite at the

est sub-Saharan African nations.

World Weather

EC to examine US restrictions on imported farm products

round of the Gatt negotiations.

The timing appears to have been largely inspired by anger in Brussels at the US Government's

recent attempt to establish a Gatt

panel on the American Soyabean Association's complaint that

BY TIM DICKSON IN BRUSSELS

GROWING TENSIONS which not intended when the rules were Round, the increase in US export surround efforts to reform world framed.
agriculture burst out into the The 1 open again yesterday when the European Community suggested that long-standing US restrictions are looking to the December mid that long-standing us restriction are looking to the December mid that long-standing us restriction to the current usual usual transfer of the current usual contrary to international trade

rules.
Mr Willy de Clerco, Commissioner for External Relations, announced in Brussels that the EC wanted to examine US exemptions under the General Agreeement on Tariffs and Trade, "to check that the way they are being applied is in line with the original aim."
The US exemptions, or "waiv-

ers," were negotiated in 1955, enabling the US to impose import quotas for certain agricultural commodities, including cotton and groundnuts, as well as dairy products and sugar. The EC now wants to "clarify" whether such protection, especially for sugar, has led to an increase in domes-tic subsidies and substantially built up US production in a way

Brussels slow on takeover action

Continued from Page 1

bership of it by all EC countries were essential steps towards this

Lord Blakenbam, chairman of Britain's suggestion is that the Paris club of creditor nations write off aid loans, introduce longer repayment periods for other official loans, and reduce interest take advantage of a single Euro-

pean market.

It was looking to acquire substantial stakes in national business newspapers, in addition to the majority interest it had recently purchased in Les Echos, the leading French financial daily

write-offs or increased aid payments could provide an alternative.

Africa's total outstanding debt to western creditors is put at around \$200bn, with perhaps \$110bn of that owed by the poorset sub-Sabaran African patients. pertinent question.

OECD recession warning

framed. subsidies and the reduction of The move significantly raises the set aside scheme" whereby diplomatic temperature when the farmers receive payments for tak-

European subsidies have caused remarks as "frankly disappoint a \$1.4bn decline in US soyabean ing" and insisted that the US and soyabean meal sales to would talk about anything in the

Europe. That was blocked last Gatt round. Referring to the US

month by the EC, but the issue is demand for an end to all farm likely to flare up again next week subsidies by the end of the cen-when the US is expected to tury he added: "We are not pre-

repeat its demand at a meeting in pared to get into disputacious

Mr De Clercy claimed that, of long term agricultural reform despite the EC's recent efforts at agricultural reform, the US was to leave his mark on agricultural "generally negative." He denounced Washington's "refusal to negotiate short-term measures the Gatt in December is a perfect

world's major trading partners ing land out of production.

cant slowing in growth or even a adopted

in the context of the Uruguay opportunity.

contraction in European exports budget deficit and that specific which would trigger "a signifi-measures for 1989 and beyond be

ecession."

US savings needed to be
'The Organisation said that boosted and it was also essential such an outcome could not be that the US Government hold ruled out if, in the absence of firm to its commitment to open further policy actions, the process of adjustment was left solely to the foreign exchange markets.

"To the extent that progress is made in reducing the federal defi-It makes it plain that the US cit and raising private savings, will have to shoulder most of the the risk of inflationary pressures responsibility for the necessary originating in domestic markets adjustment. It was "essential" or from any renewed downward that the US Government persepressure on the dollar would be vere with the reduction of its eased," it says.

Palestine issue takes centre stage Continued from Page 1

human rights in areas under military occupation; and a complete halt to Israeli settlement building in the territories. It also promises financial support to "sustain and escalate" the uprising, though without specifying amounts.

The meeting's outcome can be counted a triumph for Algerian President Chadli Bendjedid, who persuaded 17 Arab Heads of State to attend and who has been under Soviet pressure to produce a unified and relatively moderate

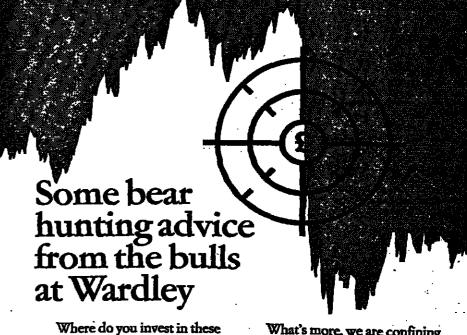
Nato chief warns West

Continued from Page 1

moting destabilisation.
Ministers were generally optimistic about prospects for a "balanced outcome" at the Conference on Security and Co-operation in Europe and for a mandate emerging soon for a new set of Conventional Stability Talks, aimed at cutting non-nuclear forces and correcting current Warsaw Pact superiority.

There was concern, however, that, while Moscow was signal-ling flexibility on the crucial human rights issue, this was not yet reflected at negotiator

Mr Roland Dumas, the French Foreign Minister, who left the meeting early in order to defend his National Assembly seat in the general elec-tion, was understood to have proposed Paris or Geneva for the new talks rather than Vienna, site of the current CSCE talks and of the ill-starred Mutual and Baianced Force Reduction negotiations.



confusing markets?

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SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Friday June 10 1988



Texas oilmen drop \$1.6bn takeover attempt of USG

MR CYRIL WAGNER and Mr Jack Brown, two Texas oilmen who have been attempting to take over USG, yesterday dropped their \$1.64bn offer for the big Chicago-based building products group.
Their decision, which follows a

series of reoutl's from USG's man-agement and stockholders, means that the big gypsum and wallboard company has escaped its shares or 76 psecond corporate raid in two years. Under Mr Robert Day, chief executive, USG in 1986 believed it whought out an unwelcome shareholding assembled by the Belzberg family of Canada.

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But the brush with the two October, lost a proxy fight to put Texans will leave USG heavily in its own directors on USG's board debt. To win shareholders away last month and was unable to from the Texan offer, USG plans proceed with its offer because of to borrow heavily against its a "poison pill" defensive com-business to finance a \$1.4bn cash payout to shareholders.

USG's shareholders are expec-

Description to state the limited partners, the limited partnership formed by the two agement's recapitalisation plan men, said yesterday it was dropping its cash tender offer for 39m leveraging the company, which ping its cash tender offer for 39m leveraging the company, which shares or 76 per cent of USG. The had sales of \$2.9\text{the last year, to group, which owns about 10 per pay shareholders a special divicent of the company, said it still dend of \$37 a share in cash and \$5 believed it would be desirable to in a low-grade security.

But the group, which has been response to the ann stalking USG since at least last Desert Partners.

USG stock fell \$% to \$45% in

Seagram jumps 40% in quarter

\$2bn, yesterday reported a sharp 40 per cent increase in first-quar- period. ter income.
The advance was due entirely

the US chemicals company.

For the three months ended April 30, the Montreal-based company had net earnings of US\$162.5m or \$1.65 per fully diluted share against \$114.9m

its joint venture with Ericsson in

telecommunications equipment

manufacturing is the result of changes in the direction of both

companies over the past few

For Thorn, this reorientation

Policies push Thorn

and Ericsson apart

BY TERRY DODSWORTH IN LONDON

THORN EMT's withdrawal from tion with a joint venture that has

SEAGRAM, the Canadian wine \$936.8m versus \$832.1m in 1987. and spirits company which recently acquired Martell of interest expenses associated with France and Tropicana, the US both the Martell and Tropicana fruit juice maker, for more than acquisitions, together with Troplcana's results over a three-week

to the company's 22.9 per cent bling in unremitted earnings stake in E.I. dn Pont de Nemours, the US chemicals company's The key to the company's

This item contributed \$85.0m to eagram's bottom line — up from in May, Mr Edgar Bronfman, the st \$41.8m a year ago.

At the group's annual meeting in May, Mr Edgar Bronfman, the chairman, said that Seagram was Seagram's bottom mus—
just \$41.8m a year ago.

After tax, dividends from Du looking to the Pacific Rim to generate future sales growth.

North America, he said, would looking to the pacific Rim to generate future sales growth.

North America, he said, would looking to the pacific Rim to generate future sales growth.

(\$1.17 a share) in the corresponding year-earlier period.

Sales rose by 12.6 per cent to

Taking both items into account, Seagram's investment in US chemicals contributed almost

four-fifths of the group's firstquarter profit.

Income from beverage operations declined marginally to 34.1m from \$34.6m in the compaable period last year.

The company noted that strong International unit sales made an

important contribution to bever age-related income

probably account for less than 50 per cent of Seagram's total sales volume this year.

Citizens

The Swedish company has the Swedish company has itself been rationalising and reorganising over the last few years, leading to a big shift in Kricsson's geographical sales, of which 70 per cent now go into Western Buropean countries as opposed to 50 per cent five years ago.

has led to a steady disposal programme since 1985, when the group ran into financial trouble Last year, it pulled off a signifiafter a period of over-expansion. cant coup when it gained entry to the French public telephone Since then, it has sold its cinema business, abandoned its exchange market; the takeover of ambitions to become a leading the whole of Thorn Ericsson player in the video field, disposed gives it sole responsibility as the of its domestic appliance activises of the whole of the w gives it sole responsibility as the second supplier in the UK in ties, and pulled out of television and video cassette recorder mancompetition with Britain's GPT consortium of Plessey and the General Electric Company.

Its 51 per cent stake in Thorn Bricsson was an obvious con-Its 51 per cent stake in Thorn
Ericsson was an obvious contender for divestment as well.

Note: its present management the future of the British business. Under its present management the fitting of the British business. team, the company has put heavy

The deal also illustrates the

earm, the company has pur heavy the hear also inistrates the emphasis on activities which are steady opening up of the UK televalready established overseas, or communications market to forwhich have the potential to be eigh suppliers.

When Thorn Ericsson won its

When Thorn Ericsson won its when Thorn Ericsson won its bid to become a supplier of digital exchanges to British Telecome as supplier of digital exchanges to British

Financial sees growth

By James Buxton in Edinburgh

CITIZENS FINANCIAL, the Rhode Island-based bank being acquired by Royal Bank of Scotacquired by knya Bank of Schi-land, expects to continue to expand by acquisition and to more than double in size in the next five years, Mr-George Gra-boys, the bank's president and chief executive, said yesterday.

Royal Bank of Scotland, the Rdinburgh-based clearer, agreed in April to buy Citizens for \$440m. The deal is expected to complete all its approval proce-dures by the end of November.

Citizens is a regional bank with 30 branches in Rhode Island and loan production offices in neighbouring New England

In the past two years, its assets have risen from \$1.9m to \$2.6bn. Last year, it made pre-tax profits of \$43.6m.

Mr Graboys, who was in Edin-burgh, said that Citizens, which has grown by acquisition in the recent past, expected to expand further in the same way.

It was legally permitted to make acquisitions in the New

Despite its 51 per cent shareholding, the UK company was in a commercial sense the junior partner since the technology in the business came from Ericsson, one of the world's leading telecommunications groups.

Ericsson since the technology in the business came from Ericsson, one of the world's leading telecommunications groups.

Ericsson similarly has recently been showing starts.

England states.

He expected that by the time it had fulfilled its ambitions in New England over the next five years, hanking regulations would have been further liberalised to allow to expand elsewhere in northerations, they say, for Thorn, and a reasonable sum for the communications groups.

one of the world's leading tele-communications groups.

Ericsson similarly has recently been showing signs of dissatisfac-(\$235m) a year.

The takeover had strengthened Citizens' competitive position in Rhode Island.

Western western in the distance of \$55n or \$70n in group, he five years. The takeover had strengthened Citizens' competitive position in Rhode Island.

Pan Am threatens union with assets sale

By Analole Kaletsky in New York

PAN AMERICAN, the struggling US international airline, yesterday took a further step towards an all-out confrontation with its 21,000 employees by threatening to sell aircraft, terminal facilities, routes and other assets "without limita-tion" if unions rejected pay

cuts worth \$180m a year. Pan Am's unusual threat came in the form of a boardroom vote on a financial sur-vival plan in the event of a stalemate in its negotiations with the unions. The board could "not wait any longer to put together some alternative plans in the event that labour concessions were not forth-coming," the company said. So far, Pan Am has signed

labour concession agreements with only two of its unions, representing pilots and flight engineers. These would provide about \$70m of annual

vide about \$70m of annual savings.

The other three main unions, covering mechanics, flight attendants and airport workers, have balked at any agreement, partly on the grounds that they had made bigger givebacks than the pilots in previous rounds of belt tightening.

The threat to take "radical" steps to "resize all of Pan Am's operations, which was spelt out in a letter sent yesterday to all the company's employees, appears to dash hopes of a major improvement in the strife-torn airline's industrial relations.

These bopes had been raised by a boardroom coup last Jan-uary which resulted in the dis-missal of Mr Edward Acker, Pan Am's controversial chair-

Many employees had person-ally blamed Mr Acker for the airline's financial and manage-rial troubles and his removal was laid down by the unions as a condition for any further

However, soon after Mr Acker's replacement by Mr Thomas Plaskett, a relatively ager recruited from American Airlines, the deal on wage con-cession which the board thought it had sealed with the unions began to unravel.

Move to break Polysar and Nova impasse

By Robert Gibbens in Montreal

MR ANDREW SARLOS, the Toronto investment manager, is leading a group of institu-tions trying to break the impasse between Nova Corpo-ration and Polysar Energy and Chemical. They are proposing to sell their Polysar stock to Nova at C\$17 (US\$13.90) a

share. Nova already has a 25 per cent voting interest in Polysar, and failed to get four of its nominees into the Polysar annual meeting. Nova, a major western energy and chemicals group, had been fighting for six months to gain control of.

Kenneth Gooding meets Peter Munk, American Barrick chief

US gold miner digs into ConsGold

of American Barrick, which was set up just five years ago but is now one of North Amerbut is now one of North America's top 10 gold producers, talked yesterday about his company's recent decision to buy 2.9m shares, currently worth about £31m (\$55.8m), in Consolidated Gold Fields, the UK-based mining, finance and industrial group.

industrial group. He said the ConsGold share price was firmly underpinned by good assets and, on the upside, there was the likeli-hood of the UK group becom-ing a bid target.

If a takeover attempt was

made, there would be a tremen-dous battle, Mr Munk pre-dicted. He said that Minorco, the investment arm of the Anglo American Corporation of South Africa, owned 28 per cent of ConsGold, which in turn controlled 49 per cent of Newmont Mining, a company rapidly on its way to becoming North America's biggest gold

Mr Munk said similar argu-ments applied to American Barrick's purchase of 3.5m

shares in Lac Minerals, one of Canada's largest gold produc-ers. The ownership structure of Lac suggested it was also likely American Barrick made its first foray into ConsGold

shares last year when it bought a 4.9 per cent shareholding and then sold again in March. There were strong rumours at the time that a consortium had been put together in London to back a bid for ConsGold by American Barrick, but Mr Munk refused to discuss that yesterday except to say that his company had made a small profit, "about \$10m," on the

He pointed out that Cons-Gold had asked for a UK Department of Trade and Industry inquiry into the way his company had built up its shareholding and the outcome of that investigation was still

American Barrick has a vested interest in Newmont Mining's future because they have neighbouring properties on one of the world's richest gold deposits, the Carlin Trend

As a result of a deep drilling programme at its Goldstrike property on the Carlin Trend, American Barrick has increased its gold reserves from 3.5m ounces in 1986 to 15m onnces - the fourth-largest known reserves in North

America. It has a joint venture with Newmont for development work on one deep deposit, called the Post, and together they might dig a giant open pit to extract the gold.

Last year American Bar-

rick's six operating mines, including surface mining at Goldstrike, produced 225,000 ounces of gold and this year the total is expected to rise to 325,000 ounces. From 1990 onwards, the company expects to be producing at least 750,000 ounces a year from Goldstrike alone, and possibly 1m ounces. Although American Barrick

is flush with cash — it has \$277m plus quoted investments of \$105m — it will use project finance for the \$250m to develop Goldstrike, said Mr American Barrick, a young company, more credibility by showing that cautious banks were willing to back it with large sums of money.

At the same time, "in these dangerous equity markets, gold companies are well-advised to have a few millions in cash available" because another sus-tained slump in share prices would possibly present some takeover bargains, said Mr Munk He made it clear, however, that his company was not interested in small acquisitions. "We want to make a quantum leap," he said.

American Barrick's cash pro-American Barrick's cash production cost last year averaged \$247 an ounce of gold, but this is likely to drop to \$230 as Goldstrike is developed. The company has locked in profitability by buying put options on 880,000 ounces of gold at an average of \$420 an ounce and financing these by selling call potions on 380,000 ounces at an options on 380,000 ounces at an average call price of \$565, with expiry dates in both cases varying over the next three years.

Shareholders vote for Amoco merger

BY DAVID OWEN IN TORONTO

SOME 15 months after the bid in Canada. was originally disclosed, shareholders of Calgary-based Dome
Petroleum have finally approved
the C\$5.5bm (U\$\$4.5bm) sale of the
beleaguered energy group to
Amoco Canada.

The company's common and
preferred shareholders this week

E77 new cent in fewere of

The canadian energy patch, the
company borrowed heavily to
fund an ambitious expansion pro-

voted 87.7 per cent in favour of gramme in the early 1980s. accepting the longstanding For the three months ended Amoco offer after a tunnituous March 31, Dome lost C\$111m on five-hour meeting.

Their verdict leaves the way

approved, the merger will transfollowed a 10-cent gain on form Amoco Canada into one of Wednesday when Dome was the the largest petroleum producers most actively traded stock

revenues of C\$406m. In early morning trading on clear for the Alberta Court of the Toronto Stock Exchange yes-Queen's Bench to rule on the fair-terday, the company's stock rose ness of the deal next Monday. If 1 cent to C\$1.40 a share. This

Strong growth seen by Gulf + Western

BY OUR NEW YORK STAFF

GULF + WESTERN, the high-fly-share on revenues of \$991.9m. ing New York conglomerate, expects earnings growth of up to 13 per cent and another record

odile Dundee II. Gulf + Western, whose stock the film Fatal Attraction in the has risen almost 20 per cent in the past three weeks, reported the past three weeks, reported not compete with last year's net income of \$53.3m or 45 cents a share in its second quarter to IV and The Golden Child. April, on revenues of \$1.13bn.

The second-quarter perfor-

The group said that earnings from television, film exhibition, year in 1988, thanks to strong performances in its publishing and the consumer and leasing finance business and the runaway success of its film, Crocodile Dundee II. strong international receipts for

Since the quarter ended, Crocomance was only marginally dile Dundee II has opened to ahead of the 1987 second quarter, spectacular success, grossing when Gulf + Western booked more than \$50m at the box office earnings of \$52.7m or 43 cents a in the first two weeks.

not compete with last year's

DAVIES & NEWMAN WE HOLDINGS PLC **Group activities** SUMMARY OF RESULTS 1987 1986 include shipbroking 2000 **2000** and ships' agency, 306,254 Turnover 329,617 airline operating Profit before taxation 9,638 6,694 and aircraft 4,411

Profit after taxation 6,970 engineering, Shareholders' funds 27,604 21,687 production and Dividend per share 15p 13p workover oil drilling. 62.8p Earnings per share 99.2p Copies of the Directors' Report and Accounts may be obtained from the Secretary, Davies & Newman Holdings PLC, New City Court, 20 St. Thomas Street, London, SE1 9RJ.

DAN+AIR

New routes

Madrid, Mahon, Ibiza, from London: / Paris from 23rd October, 1988.

Bulk of Barlow Clowes funds 'transferred'

BY NICK BUNKER IN LONDON AND JOE GARCIA IN GIBRALTAR

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£100,000,000 CERTIFICATE OF DEPOSIT PROGRAMME

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April, 1988

INTERNATIONAL COMPANIES AND FINANCE

MR HERBERT Kazmierzak, the chief executive of Hessische Lan-desbank (Helaba). West Ger-

many's 11th largest bank, is not a

Landesbank (WestLB), its bigger neighbour based in Düsseldorf,

In fact, it was less than a reve-lation. The two institutions have

been looking carefully at a mar-

riage for months. If it comes off, it would be the first, and most

Talk about mergers between

On the surface, a link between

marriage made in heaven.

The banks are based in two of

the country's most important and

central states, which conve-niently adjoin. Helaba's key Frankfurt location is a useful

counterbalance to the weight of WestLB, which, with total assets

more than twice as big.

More important, it looks as

though the two state govern-ments of North Rhine Westfalia

and Hesse, which could easily scupper a deal if they chose, are in favour.

The apparent lack of political obstacles between a Social Demo-

crat administration in North

Rhine Westfalia, WestLB's home, and a Conservative one in Hesse

contrasts with the past, when tentative feelers between the two

banks were said to have been blocked politically at a time

when both states were Socialist-

Many of the arguments now

being submitted to support a union are familiar. Most bankers

of DM152.5bn (\$89.2bn), is slightly

Landesbanken, which are jointly

(II) CARRS MILLING **INDUSTRIES PLC**

Interim Statement

-		_	
	6 Months	Year ended	
	27th Feb.	28th Feb.	28th August
	1988	1987	1987
	€,000	€,000	£,000
Sales	40,967	40,034	78,740
Less inter-company sales of			
products for re-processing	5,824	5,107	11,656
Sales to external			
customers	35,143	34.927	67.084
COSCULIGIS		57,527	
Charles had an about the	990	904	2.092
Profit before taxation		80	184
Estimated taxation	260		
Profit after taxation	730	824	1,908
Extraordinary item	_	_	129
Net profit attributable to			1,779
the Group	730 ———	824 ———	1,779
Forming and Onlinear Chara	10.8p	13.1p	29.6p
Earnings per Ordinary Share			•
— • • • • • • • • • • • • • • • • • • •			there saw of

The Directors announce unaudited Group profits before tax of £990,000 for the six months ended 27th February, 1988, an increase of 10% when compared with the profits for the 6 months ended 28th February, 1987 of £904,000.

Our animal feed manufacturing business and the agricultural merchants made a good contribution to Group profits together with merchants made a good combination to droup profits agents with flour milling which responded well, following the poor harvest last summer. The baking and engineering companies made steady progress. The chicken processing and egg laying operations have been and continue to be affected by low prices which will impact on overall results for the year as a whole. Trading in the remainder of the

Taxation in the 1987 interim comparable figures has been restated to reflect the actual tax charges. Estimated taxation for the 6 months ended 27th February, 1988 is higher, reflecting the reduction in tax losses brought forward from previous years.

The Board has declared an interim dividend of 1.75p per share (interim dividend 1987 1.75p per share) on the Ordinary Share Capital of the Company. The interim dividend which will cost £120,000 will be paid on the 8th July, 1988 to shareholders on the Register on the 23rd June, 1988

A copy of this interim report is being posted to all shareholders and is also available at the Registered Office of the Company.

Carlisle, 9th June, 1988

lan C. Carr (Chairman)

Crossland Savings, FSB U.S. \$100,000,000

Collateralized Floating Rate Notes, Series A due December 1997

For the three months 8th June, 1988 to 8th September, 1988 the Notes will carry an interest rate of 81/6% per annum with an interest amount of U.S. \$2,060.42 per U.S. \$100,000 nominal. The relevant interest

CGE'S FIRST

QUARTER SALES

UP BY 9 %

Listed on the Luxembourg Stock Exchange

Bankers Trust Company, London

Agent Bank

For the first quarter of 1988, Compagnie Générale d'Électricité (CGE) posted consolidated sales of FF 28.4 billion, up 9% from the first quarter of 1987.

This growth can be attributed to a number of structural modifications made since

Compagnie Générale d'Électricité

Carrefour hostilities with Castorama end Landesbanken face rocky marriage in partnership deal

BY PAUL BETTS IN PARIS

French takeover sagas had a happy ending yesterday when Carrefour, the large French Dubois holding company through hypermarket group, and Casto-

But Castorama had no intention of being consumed by the huge hypermarket chain whose sales last year totalled FF756.5hn sales last year totalled FFr56.5hn independent. Dubois expects to (\$9.7hn). Its founders formed a draw on Carrefour's international holding company called Dubois experience to help the DIY chain Investissements to group develop outside France.

Castorama has grown rapidly shareholding in Castorama and in the last few years and its sales

moves.

The situation was in a stalemate for several years until a new generation of managers arrived at Carrefour and conversations were launched two years

are expected to increase by nearly 20 per cent to about the structure of the structure

The arrangement finally many. The company is also keen reached yesterday was engineered with the help of Credit Commercial de France (1992).

of do it-yourself stores, decided to nature of the pact, Carrefour is many were surprised.

ship round among Germany's Landesbanken that could reduce Senior executives of the two the present 11 to about five banks companies underlined yesterday at most. independent. Dubois expects to owned by state governments and regional savings organisations, is nothing new. But while many observers have already married off WestLB and Helaba, few have

looked carefully at the intricacies of a match. Westl.B. Germany's biggest Lan-desbank and its fourth biggest bank overall, and Helaba is a

Foreign operations boost turnover at Plate Glass

BY JIM JONES IN JOHANNESBURG

PLATE GLASS & Shatterprofe sions produced results which industries, the South African were ahead of budget.

Quaside South Africa, cautious

tributor, lifted sales by more sales forecasts were made after than a third in the year to March, last October's stock market colwhich contributed almost two companies ended the year on a thirds of turnover and half of the consolidated earnings.

Turnover increased to R2.32bn ress enhanced export opportunities.

The rand's progressive weak-ness enhanced export opportunities.

Not exprinted increased to R2.32bn ress enhanced export opportunities.

Goodman sells two

NZ units By Our Financial Staff

marger.
The group sold its Wellington Flour Mills to Allied Foods, a local arm of George

Weston, an Australian-based

food producer. Fermentation Industries NZ, an Auckland

yeast maker, has gone to Beverage Services, a division of Burns Philp, the Sydney trading company. On neither deal was the price disclosed.

was the price disclosed.

Goodman Fielder has until June 30 to complete its divestments after failing to meet an initial mid-April deadline. The company blames the commercial environment in New Zealand for the delay, but says only a small flour mill in

only a small flour mill in Invercargill remains to be

The Commerce Commission

is, however, continuing inves-tigations into Goodman's sale of two North Island bakeries on the grounds that they are still substantially influenced

by the company.

• Wellesley Resources, a New

Zealand property developer, plans to sell its equity invest-ments and several properties

because of a downturn in development activity. Mr

Graeme Bringans, the chairman, said these would reduce debt to about NZ\$80m (US\$55.9m) from NZ\$220m. Investments include a half

share in Brierley Cromwell Property, a joint venture with Brierley Investments.

The New Zealand Govern-

ment plans to sell the Govern-ment Printing Office by tender as part of its privatisation pro-

The unit has an asset value

given as some NZ\$75m, annual

turnover of NZ\$100m and a staff of 850. Mr Richard Preb-

ble, State-Owned Enterprises

Minister, said the company could be sold piecemeal.

There is no social or com-mercial reason why the Crown

should own a printing com-

pany," he added. ● DFC New Zealand, a state-owned investment bank which

is also on the privatisation

list, yesterday reported net

profits down by more than a quarter to NZ\$26.5m in the year to March from NZ\$36.8m.

The result this time excluded

extraordinary losses of NZ\$4.7m.

the beginning of last year, the most significant of which are: - Câbles de Lyon's acquisition of a GOODMAN FIELDER Wattie GOODMAN FIRLDER Watte, the Australasian foods com-bine, has found Australian buyers for two New Zealand units, bringing near to comple-tion a disposal programme which the Commerce Commis-sion in Wellington made a requirement of its recent majority interest in Thomson Cuivre; Alsthom's withdrawal from the low voltage equipment sector; the sale of the majority stake in

and Saft's acquisition of Alcad; the Group's sale of its interest in Société d'Études de Systèmes d'Au-tomation (Sesa) and Générale de Service Informatique (GSI); - the sale of the consumer electronics

department of Standard Elektrik Lorenz (SEL).

Group sales do not include those of Générale Occidentale as they are accounted for

Breakdown of 1987 and 1988 quarterly sales by sector of activity is as follows:

(in FF millions)	1987 (1)	1988
Energy and Transportation	4,478 1,542 2,376 727 16,517 859 (374) 26,125	6,243 1,719 2,390 963 16,639 914 (412)

Figures restated to allow comparison.
 Sales of Framatoine and its subsidiaries are included on the basis of 40% proportional integration.



MANUFACTURERS HANOVER



Monte dei Paschi di Siena Singapore Branch

SFr.100,000,000

41/2% Depositary Receipts due May 4, 1993

Manufacturers Hanover (Suisse) S.A.

Manufacturers Hanover Trust Company Sunch Branch
Bank Leu A.G. Bank for Foreign Economic Affairs of the USSR Zunch Branch
Banque Pasche S.A. Kredierbank (Suisse) S.A.
Republic National Bank of New York (Suisse) S.A. Société Générale
Taiyo Kobe Finanz (Schweiz) A.G. Bank of Tokyo (Schweiz) A.G.
Barclays Bank S.A. Chase Manhattan Bank (Switzerland) Chemical N.Y. Capital Merket Corporation Dat-Ichi Kangyo Bank (Schweiz) A.G. Kyowa HB Finanz A.G. BlL Benque Internationale à Luxembourg (Suisse) S.A. The Royal Bank of Canada (Suisse) Sumitomo International Finance A.G.

The Investment Banking Group

Haig Simonian on obstacles to a smooth merger of two German banks

hypermarket group, and Casto- a capital increase.
rama, the country's leading chain But to underline the friendly

of do-it-yourself stores, decided to patch up their differences and become partners.

It all started 10 years ago when hostile takeovers were still a rare phenomenon in France. After acquiring a 25 per cent interest in Castorama in 1978, Carrefour rapidly increased its stake to 47 per cent.

Senior executives of the pact, Carrefour is not taking the additional 0.4 per cent to give it a 33.4 per cent blocking minority stake in Dubois. The rest of Dubois' capital will split between its founders and employees, holding 25 per cent, and the public, with 42 per cent.

the intention of the two groups to work together while remaining

block Carrefour's predatory are expected to increase by

arrived at Carrefour and conver-rama needs to expand in Europe. sations were launched two years. It is planning to open a store in ago between the two groups to Milan this year and is negotia-

neered with the help of Credit During the last three years, Commercial de France (CCF), the banking group.

It involves a FFr450m share with specialty retailing in sectors transaction whereby Correform transaction whereby Carrefour ranging from furniture to shoes will sell to Dubois its stake in Mr Michel Bon, Carrefour's man-Castorama. This will increase aging director, said relations Dubois' control of the DIY chain with these partners had been har-from 53 per cent to about 95 per monious up to now.

(31bn) from R1.68bn and the preties. Net earnings increased to tax profit was R174.0m against 401 cents a share from 305 cents R115.5m.

The directors say the local increased to 185 cents from 145 glass and wood products divicents.

Turnround in sales helps

turnround came on a sharp has a large minority, more than increase in its dealings between trebled its consolidated net earn-

ARAB BANKING CORPORATION (B.S.C.) Issue of U.S. \$ 150.000,000 Floating Rate Notes due 2000

For the six months, June 8, 1988 to December 7, 1988, the rate

The interest due on December 8, 1988 against coupon nr 7 will be \$ U.S. 403,49 and has been computed on the actual number of days elapsed (183) divided by 360.

The Principal Paying Agent, SOCIETE GENERALE ALSACIENNE DE BANQUE 15, avenue Emile Reuter
LUXEMBOURG

U.S. \$400,000,000

For the three months 8th June, 1988 to 8th September, 1988 the Notes will carry an interest rate of 711/6% per annum with a coupon amount of U.S. \$199.65 per U.S. \$10,000 Note, payable on 8th September, 1988.

Agent Bank





THE KINGDOM OF DENMARK

Kingdom of Denmark has elected to redeem on July 15, 1988 (the "Redemption Date") all of its outstanding 14% Notes due 1991 (the "Notes") at 101%. On and after the Redemption Date, interest on the Notes

noturing subsequent to said date.

By: Citibank, N.A., (CSSI Dept.) London Principal Paying Agent

burned in the 1970s and 1980s. Surprisingly, organisations though for different reasons, and rather than egos seems to be the as a result now have complement prime handicap. The banks have as a result now have complement

tary structures.

Helaba came close to disaster in the mid-1970s after heavy building loans turned sour when the Government tightened monetary policy and investment in history and morter was no longer bricks and mortar was no longer such a good hedge against infla-tion. It had also taken on some lesser quality participations in an ill-advised race for growth.

WestLB's troubles came slightly later, with domestic problems at groups like AEG, DAL and Neue Heimat, where the bank was heavily committed. believe that size has become increasingly important in Ger-man banking, and few more so than Mr Friedel Neuber, Westl.B's chief executive. Earlier This was followed by the internathis month, he emphasised
Westl.B's need to grow even if its
talks with Helaba fell through.
The need for size is twofold.
The Landesbanken, which are tional debt crisis, where Westill's generous lending, especially in the case of Mexico, put the bank under pressure. WestLB suspended dividend

payments for a number of years as profits were ploughed back into reserves. It only started paying back its shareholders in 1986.

Helaha's balance sheet was ridered paying back its shareholders in 1986. umbrella organisations for regional savings banks, are being squeezed from both the top and bottom. While competition from the country's big private-sector banks has grown, the biggest savings banks are increasingly looking to poach business from their Landesbanken.

Helaba's balance sheet was victously purged by Mr Heinz Sippel – ironically a former WestLB board member who was brought in to clean up the bank. Says one banker: "It was an enormous feat of strength, but he may have gone too far." As a result, the bank has turned extremely cautions in recent Thus savings banks in North Rhine Westfalia, including pow-erful institutions like the Cologne and Düsseldorf City Savings Banks, want to change the law which forbids them from conextremely cautious in recent years, with "riskier" or more nnovative areas like inves like equity trading, currently reserved for the Landesbanken. banking and securities down-played. On the other hand, its sovereign debt exposure is limthe biggest savings banks should be seen as substantial regional ited and is probably very well provisioned, while its credit busiss is verv solid. It is a different picture at WestLB, the size of which not new, the prospect of 1992 has sharpened thinking at many Lan-

the muscle to compete alone with the biggest banks. The question is whether to join forces and in the 1960s, where the fit with form Germany's second biggest Helaba is best bank, only trailing Deutsche Developing Bank, or risk being relegated to regional niche players. Developing both areas has been expensive, and it is not yet clear whether WestLB generates A merger certainly seems to enough business on its own to make strong business sense. Both sustain them in the long term, banks had their fingers badly. What then are the problems?

Helaba nor WestLB thinks it has finance. But it is international

different computer systems, while up to 2,000 jobs could go following a merger

following a merger
The importance of efficient
management information
systems should not be underestimated. Some WestLB old-timers
recall how long it took for the
bank to settle after the fusion
herween its two constituent parts
back in 1990. back in 1969.

One banker even suggests that the distraction caused at the time, along with inadequate man-agement information about the merged unit, lay partly to blame for its subsequent difficulties in the 1980s.

Thus it is argued that matching up WestLB and Helaba - a much bigger proposition - would gobble up huge amounts of management time just when executives should be concentrating on the challenges of the Buropean Community's free market in services after 1992.

North Rhine Westfalia, facing a welter of problems in traditional industries like coal and steel would have to work hard to avoid the impression of "losing" its Landesbank to Frankfurt. Some might even press for hiving off WestLB's regional development activities into a separate regional Such consideration may make

the two banks shy of a full merger to begin with, and per-suade them to look at less ambi-tious options like a jointly-owned Frankfurt subsidiary

Either would be less than what WestLB's Mr Neuber, in particu-lar, has in mind, but the analyses allowed it to carry on growing in spite of its troubles. Fixed-income trading and treasury in general may yet counsel a more cautious are two strengths, as is building approach to the altar.

Mitsui to 50% profit rise

year to March, compared with machinery.
Y15.23bn. Net earn

foreign countries in petroleum ings for the March year to just on products and non-ferrous metals where revenue jumped 38 per cent to Y4.599bn.

Sales were a bare 0.8 per cent higher at Y426.9bn. The company

MITSUI & CO, Japan's leading Y2,383bn but exports continued trading house, boosted worldwide to slide, down 8.1 per cent to net profits by more than half to Y2,693bn, affected by declines in reach Y22,15bn (\$184.3m) in the demand for Japanese metals and

ducting certain sorts of business

banks in themselves.

While such market pres

Says one observer: "Many of

desbanken and made them

WestLB's need to grow

Net earnings per share were Y15,779hn, reversing a 21.6 per • General Sekiya, a Japanese oil cent setback the year before. The refiner in which Exxon of the US

An expansion of trade in petro-leum products also pushed of energy products acquired at imports up 6.2 per cent to higher prices.

of interest has been fixed at 7 15/16% P.A.



The Chase Manhattan Corporation

Floating Rate Subordinated Notes due 2009

Bankers Trust Company, London



U.S.\$100,000,000 14% Notes due 1997

NOTICE IS HEREBY GIVEN that pursuant to Condition 5 (b) of the Notes, The

The Notes should be presented and surrendered to the paying agents as shown on the Notes on the Redemption Date with all interest coupons Coupons due July 15, 1988 should be detached and presented for paymen

in the usual manner. June 10, 1988

CITIBANCO

NOTICE OF EARLY REDEMPTION U.S.\$250,000,000



The Kingdom of Belgium Tranche B - Floating Rate Notes Due January 2011

Notice is hereby given to the holders of the Floating Rate Notes that in accordance with the provisions of the Fiscal Agency Agreement dated January 9, 1966 (Condition 6 (c) of the Floating Rate Notes), the lasuer will redeem all the Notes on July 11, 1988 (together called the "interest payment Date" and the "redemption Date") at their principal amount. Interest will be paid to the persons shown on the Register of Noteholders at the close of business on the Riflearth day prior to the interest payment Date. Payment of principal will be made on or after the redemption Date at the apecified office of the Transfer Agent or the Registrar listed below, upon presentation and surrender of the Notes.

The Notes will become void unless presented for peyment within a pariod presentation and surrender of the wores.

The Notes will become void unless presented for payment within a period of 10 years from the rademption Date.

Fiscal Agent
Morgan Guaranty Trust Company of New York
36, Avenue des Arts
6-1040 BRUSSELS

Morgan Guaranty Trust Company of New York 35, Avenue des Arts B-1040 BRUSSELS DATED: June 10, 1988

Morgan Guaranty Trust-Company of New York NEW YORK, N.Y. 10015

US \$100,000,000



Allied Irish Banks plc

Floating Rate Notes Due 1995 Subordinated as to payment of principal and interest

Interest Rate Interest Period

Interest Amount per

10th June 1988 12th December 1988

81/16% per annum

12th December 1988 U.S. \$414.32

U.S. \$600,000,000

Credit Suisse First Boston Limited Agent Bank



Malaysia

Floating Rate Notes Due 2009

Interest Period

81/16% per annum 10th June 1988 12th December 1988

Interest Amount per U.S. \$10,000 Note due

12th December 1988 U.S. \$414.32

Credit Snisse First Boston Limited

INTL. COMPANIES AND FINANCE

Gucci management in dispute with new stockholder

BY ALAN FRIEDMAN IN MILAN

THE FUTURE of the Gucci hix-camps "found themselves at an try leathear goods and fashion impasse with each side holding accessories house was yesterday 50 per cent of the company."

thrown into a state of confusion Mrs Maria Martellini, the pro-

nan bank

the parties of the pa

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. . 125 intrown into a state of confusion following a dispute over management control between shareholders of the company.

Investcorp, the Bahrain-registered investment bank that has secretly built up a 47.8 per cent disagreement on matters of substance. "When we talked about the business plan everything was fine. Now it is essential for Gucci that we all get majority of five out of the nine seats on the Gucci board of directors.

Investcorp's representatives

Investcorp's representatives, who also had the backing of Mr Maurizio Gucci and his 2.2 per cent equity stake, were told by the court-appointed custodians of Mr Maurizio Gucci's 50 per cent stake that they would not agree to hand over effective control of the company. The custodians speak for the 50 per cent stake because Mr Maurizio Gucci is facing various criminal charges.

ing various criminal charges.
According to one executive

she said last night.

Mrs Martellini had earlier said

management until now.



Maria Martellini: 'essential to work together'

Investcorp had sought five of the nine board seats, but claimed that the dispute over control was

not a serious problem.

We at investcorp are also prepared to accept equal board representation on a 50-50 basis," Mr Dimitrink said last night, adding that in his view "this deadlock is not definitive."

Mr Dimitriuk stressed it was "not surprising that both sides According to one executive

He was hoping to meet Mrs are looking each other
who attended the Gucci meeting Martellini later last night or this insisted: "We are not a
the two opposing shareholder morning. He admitted that to make a power play." are looking each other over" and insisted: "We are not attempting

Pernod wins Coca-Cola ruling

BY PAUL BETTS IN PARIS

PERNOD RICARD, the French drinks group, has won the first round in its legal battle against Coca-Cola, which recently broke off production and distribution

from the US company. At the also decided to name two officials time Pernod claimed that Cocato help the two companies reach Cola had made an unacceptably an acceptable compromise.

low compensation offer. The issue is significant for Per-capital investi Relations between the two nod since its longstanding ment policies.

groups worsened when Coca-Cola French Coca-Cola licence busi-decided not to renew a number of ness accounts for about 10 per Pernod marketing concessions in cent of group annual sales of different parts of France. The FFr12.5bn (\$2.15bn). Pernod

off production and distribution agreements with Pernod dating back to 1949.

Pernod had agreed to negotiate a settlement with Coca-Cola last January but the two companies disagreed over the amount of compensation Pernod sought from the US company. At the salso decided to name two officials of France. The france. The france there is the france the france. The france there is the france the france. The france there is the france there is the france. The france there is the france there is the france. The france there is the france. The france there is the france there is the france. The france there is the france there is the france there is the france there is the france. The france there is the france the france. The france there is the france the france there is the france t

pean countries. In France, there are also understood to have been ments with Pernod over The issue is significant for Per- capital investment and develop

Hungarian haulier plans public share issue

By Kevin Brown, Transport Correspondent, In Budapest

HUNGAROCAMION, the state owned Hungarian road haulage organisation, plans to raise up to Florints 2bn (\$42.5m) via a public share issue, Mr Imre Torma, general manager, said yesterday. He said Hungarocamion

would be one of the first to take advantage of proposals to allow Hungarian companies to

A bill authorising share issues is passing through par-liament in Budapest, and is expected to become law in the summer. A small stock exchange is expected to be established to provide a market in the shares.

Mr Torma said the state would retain a majority stake in Hungarocamion, which was valued at Florints 5bn. The share issue would represent between 25 and 40 per cent of

the value of the company.

The capital raised by the issue would be used to modernise the company's fleet of 1,800 lorries. This process was begun in 1985 with the aid of a \$40m World Bank loan. Mr Torma said Hungarocamion made profits of more than \$17m before tax last year,

on turnover equivalent to \$115m. The company operated without state subsidies. Hungarocamion, which was set up in 1966 to service Hun-garian foreign trade, is one of the largest road hauliers in

Eastern Europe, The company will remain committed principally to carrying Hungarian foreign trade, but hopes to diversify into more sophisticated distributions. tion activities which are increasingly required by domestic and overseas compa-nies, Mr Torma said.

This announcement appears as a matter of record only.

SARA LEE CORPORATION

NLG 200,000,000

61/2% Bearer Bonds 1988 due 1998

Amsterdam-Rotterdam Bank N.V.

Algemene Bank Nederland N.V.

Bank Mees & Hope NV Banque Paribas Nederland N.V.

Rabobank Nederland Credit Suisse First Boston Nederland N.V.

Nederlandsche Middenstandsbank nv

Pierson, Heldring & Pierson N.V.

SBCI Swiss Bank Corporation Investment banking N.V.

Bank Brussel Lambert N.V. BNP Capital Markets Limited

Dresdner Bank

Lazard Frères et Cie.

Salomon Brothers International Limited Union Bank of Switzerland (Securities) Limited

Barclays de Zoete Wedd Limited Deutsche Bank Capital Markets Limited

Goldman Sachs International Corp. Morgan Stanley International

> Swiss Volksbank S.G. Warburg Securities

> > May, 1988

Moët group in talks to buy Leroy stake

By Our Parks Staff

LVMH, THE French Moët Hennessy Louis Vuitton champagne, nessy Louis Vuitton champagne, cognac, luggage and perfume group, is negotiating to acquire a large stake in the Burgundy-based Leroy wine merchant and grower as part of its drive into new huxury goods businesses.

The deal involves LVMH's Veive Cliquot champagne subsidiary, which is planning to buy a substantial minority stake in

a substantial minority stake in Leroy, which distributes some of the best known Burgundy wines including the rare and presti-Leroy, which also distributes

the Domaine de Richebourg and the Domaine de la Tache, among other famous Burgundy wines, also owns vineyards in Bur-gundy. Its annual sales total about FFr35m (\$6m). The deal would represent LVMH's first move into non-sparkling French wines. The company produces

Moët Chandon champagne as well as Verve Cliquot.

The proposed wine takeover coincides with plans by LVMH to buy the Givenchy fashion house, one of the most prestigious hante conturn names in Paris Through outure names in Paris. Through Veuve: Cliquot, LVMH already owns the Givenchy perfume side. The LVMH group was formed last year through the merger of Moët-Hennessy and Louis Vuit-ton. It recently reported net prof-its of FFr1.34bn on sales of FFr13.25bn for 1987.

Modest advance in profits for French reinsurer

BY GEORGE GRAHAM IN PARIS

Current investment income Italian insurance market.

rose to FFr377m from FFr359m

SCOR, THE French reinsurance group, reports net profits of FFr18m (\$31m) for 1987, slightly up from the previous year's FFr176m, despite a FFr45m provision for potential capital losses on its securities portfolio.

Group sales rose by 9 per cent to FFr4.44bn after adjusting for currency fluctuations and for changes in group structure, and earnings rose in all operating Its restructuring plan intro-duced in 1963 – when the group lost FFr462m – brought the main French insurance groups of both the state and private sectors into

subsidiaries.

The parent company reported that it was buying La Vittoria sales of FFr3.36m last year. Scor once again set aside substantial reserves, but its technical reinsurance results improved sharply to a loss of FFr216m in 1936.

Current was buying La Vittoria Riassicurazioni, the reinsurance subsidiary of the Agnelli group's Toro insurance operation, for FFr69m. The purchase is expected to a loss of FFr216m in 1936.

Scor said yesterday that last the previous year, but overall year's results were achieved in a financial revenues were slightly lower as a result of lower capital gains, leaving parent company net earnings at FFr115m, up 26 per cent from the previous year.

Christiania ahead at four months

CHRISTIANIA BANK, Norway's developments seen so far this CHRISTIANIA BANK, Norway's developments seen so far this second largest banking group, year were expected to continue reports an improvement in profits before tax and loans from NKr382m to NKr401m (\$64m) for profit before loan losses to the first four months of 1988, writes Karen Fosali in Oslo.

The bank said interest margins had improved, showing a clear 1.39 per cent from 1.21 per cent upturn. It added that the positive for 1987 as a whole.

Philipp Holzmann sees further growth

PHILIPP HOLZMANN, the West The dividend is being held at German construction concern, DM10 a share.

Expects a further slight improvement in profits this year after a over in Germany had risen by 11 profits this year after a over in Germany had ris

drop from DM28.5m in 1985. Turnover was 11 per cent lower at DM5.8bn last year, partly because of the sharply lower dollar and partly because of a drop in US and other foreign business. The order backlog at the year-end was down by 13 per cent to DM4.6bn.

FHILIPP HOLZMANN, the West German construction concern, expects a further slight improvement in profits this year after a promisting start in both the domestic and the US markets.

In 1987, it raised group net profits from DM20.7m to DM23.2m (\$13.5m), after a sharp drop from DM28.5m in 1985. Turnover was 11 per cent lower at DM5.8bn last year, partly because of the sharply lower dollar and promising a drop in US.

contracts, turnover was up by 12 impetus coming only from the per cent to \$578m. But in other countries, notably the Opec members, there was a downturn.

Wells Fargo & Company U.S. \$150,000,000

Floating Rate Subordinated Notes due 1994

In accordance with the rovisions of the Notes, notice is hereby given that for the Interest period 10th June, 1988 to 12th September, 1988 the Notes will carry an Interest Rate of 711/16% per annum. Interest payable on the relevant interest payment date 12th September, 1988 will amount to US\$203-99 per US\$10,000 Note.

Agent Bank: Morgan Guaranty Trust Company of New York London

NOTICE TO WARRANTHOLDERS OF NIPPON DENKO CO., LID. U.S.\$70,000,000 3 L/4% Guaranteed Bonds 1992 with Warrants

Physican to the relevant provision of Chance 3 and 4 of the Instrument dated 9th September, 1987 relating to the exptioned Warranta, notice is hereby given that: L The Board of Directors of NIPPON DENKO L. The Board of Directors of NUPPON DEPAGE CD. LTD. (the "Company") at its meeting held on 27th May, 1988 resolved the Company will make a free distribution of abures of its continon needs on 20th June, 1988 Tokyo time (the "Record Dute") at the natio of 0.10 new abure for cashs one share owned by stancholders.

 As a result of such free distribution, the Solveription Price in respect of the captio Warrants which is currently Yen 844 per are will be recluded to You 727,60 per share share will be reduced to 100 a.c. over per turns of the Company's cumson stock at accordance with Chance 3 paragraph (1) of the Instrument. The new Subscription Price will become effective on an Anly, 1988 Tokyo time which is the day insmediately after the Record Date.

NEPPON DENKO CO., LITE. By: The Tokai Bank, Limsted as Principal Paynty Agent (Oth June, 1988)



the Notes, notice is hearby given that the race of interest for the three months period 9th June, 1988 to 9th Septemator, 1700 ins.
freed at 81 Na per cent per annum.
Coupon No. 15 will therefore be
payable at £1091.87 per coupon
from 9th September, 1988. to 9th September, 1988 has been Samuel Montage & Co. Limited Agent Bank

Today, 5 Securi commences business as a Viember of the Tokyo Stock Exchange.

> 10th June 1988 is a momentous day for Baring Securities. Our active membership, as from today, of the Tokyo Stock Exchange confirms our long-standing commitment to the Japanese market.

It follows on quickly from another

important event for us in April - our receiving the Queen's Award for Export Achievement in 1988.

These two landmarks highlight 1988 as a decisive year in Baring Securities continued development,

BARING SECURITIES



THE QUEEN'S AWARD FOR EXPORT ACHIEVEMENT SINS

LONDON - NEW YORK - LOS ANGELES - SYDNEY - MELBOURNE - TOKYO - SEOUL - HONG KONG - SINGAPORE - FRANKFURT

INTL. COMPANIES AND FINANCE

Peter Bruce in Madrid looks behind the scenes of Spain's biggest ever banking event

Playground warfare in pinstripes

but dark old place and far too big for one man to spend too long alone in Luckily for Mr Mariano Rubio, the present incumbent, he is much in demand as the country's biggest ever banking event, the proposed merger of Banco Central and Banco Espanol de Credito (Banesto), becomes more and more complicated and nasty. On Wednesday he received Mr Alfonso Escamez, the chairman of Central, the country's higgest bank, and Mr Mario Conde, chairhank. The day before, he played host to "Los Albertos" - two rich, successful, young cousins who made their fortune in the construction industry but who are now showing an unhealthy interest in Central and Banesto, or Banco Espanol Central de Cre-dito (BECC) as the merged unit will be known.

The meetings are largely theat-rical. On Monday Alberto Cortina and Alberto Alcocer let it be known that their joint venture with the Kuwait Investment Office (KIO), Cartera Central, had spent Pta6.5bn (\$57.5m) buying 2 per cent of Banesto. The Conde team have remained silent but leaked, apparently, shock and amazement at the fact that they



off the Kuwaitis and "Los Alber-

It has not worked. Given that Bank of Spain regulations make it difficult to buy more than 15 per cent of a bank, Cartera Cen-tral decided last week, in consultation with its new financial advisers, Salomon Brothers, that the best defence of its position in

To back off from Central now, after fighting hard against Mr Escamez for seats on its board, could damage KiOs credibility as a determined, long-term, investor in Spain. Cartera Central was in Spain. Cartera Central was formed late last year at KIOs initiative. Mr Alcocer and Mr Cortina sold some prime Madrid land to KIO and used their share of the proceeds – Pta2lhn – to fund their SL2 per cent of Cartera Central. KIO pumped in another Pta18ho

Cartera could score up to 5 per cent of Banesto by the end of them with any of the bank's today. "Banesto," he said, "is accounts and has refused to take them into his confidence over the way the merger with Banesto will work. The two cousins, said cartera decided to raise new capical and although the joint ventored the said of the said."

Escamez has refused to provide them with any of the bank's accounts and has refused to take them into his confidence over the will work. The two cousins, said cartera, simply feel they have a better chance of talking to Mr. Conde once they have 7 per cent

Cartera decided to raise new capital and although the joint venture is headed by the two Spanish cousins, its financial muscle is Kuwaiti. (RIO recently transferred its 48.8 per cent share in Cartera Central to its major industrial affiliate in Spain, the Caidam paper manufacturer Torras Hostench but there, too, the Kuwaitis hold the purse strings).

To back off from Central now, after fighting hard against Mr Alcocer is 45, and Mr Cortina is desired. It is Mr Conde, banker, night-42. It is Mr Conde, banker, night-club owner, tanned and smooth, his hair greased back to perfec-

tion, that typifies the breed.
He and the Albertos are some KIOs chief associate in Spain. Mr Javier de la Rosa, was recently proclaiming friendship with the

Banesto chairman.

And although there has been no contact at all with Banesto for Ptal9hn.
Cartera's main difficulty now was to argue away the rather pompons defence being put to the Government by Mr Escasible in Banesto. Its reputation mez – BECC, he said yesterday, should be a Spanish bank and not have any foreign capital in it. This is a bit thick, because it was contact at all with Banesto for the past six weeks it is still hard to know whether the Cartera share raid really is viewed as hostile in Banesto. Its reputation as a bank, despite all the advantages of being a Spanish (hence protected) one, is poor and Mr Conde knows it. There is also no reason in helieve that the poten-

amazement at the lact that they were not consulted. Nonsense, retorted Cartera Central and probably rightly so, pointed out that Mr Conde and his partners have said they want up to 7 per cent of Banesto, which would give them around 10 per ceeded his elevation to the chairmanship last year.

Mr Alcocer and Mr Cortina are a phenomenon in Spain. Publicity shy and extremely well conected, they teamed up with KiO late last year to buy a large stake in Banes Central. All told, the Cartera Central and the Central was to buy a large stake in Banes Central. All told, the Cartera Central partners can count on control of 13 per cent of the merged bears and well-one, though, and it is widely believed that Mr Escamez sought a merger with Banesto to shake

Murray Ohio rejects bid

unanimously rejected a \$200m, or \$52 per share, tender offer begun on May 24 by Electrolux of Sweden, the world's leading white

assistance of its financial and from seeking control

goods manufacturer.

Analysts said this decision

Murray said it authorised the could prompt a bidding war but
company's management, with the was unlikely to deter Electrolux

Europe offer for Tenneco

THE BOARD of Murray Ohio legal advisers, to explore possible A LITTLE-known European part-Manufacturing, the US lawn-alternatives to the Electrolux nership, Gulf Financial mower and bicycle maker, has offer. Murray announced on Wednesday that it was holding talks for the oil and gas properties of with other parties about a merger or recapitalisation. ate, writes Our New York Staff. Tenneco put its oil and gas fields up for sale two weeks ago and analysts have estimated that

they should fetch at least \$50n. Guif Financial was described by Mr Henri Soussan, one of its French-born principals, as a property acquisition company formed in 1986. Tenneco said only that it was "one of many bids"

Industry analysts estimate the properties, which may be sold in pieces or as a complete unit, ar worth as much as \$7m to \$8bn.

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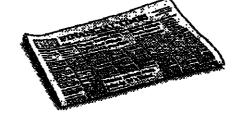
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FINANCIAL TIMES

Company Notices

GOLD FIELDS OF SOUTH AFRICA LIMITED

(Incorporated in the Republic of South Africa) (Registration No. 05/04181/06)

CONVERTIBLE REDEBMABLE CUMULATIVE PARTERBICE SHARES DECLARATION OF DIVIDENCE

Dividend No. 8 of 145 cents per preference stare for the six months ending 30 June 1988, tas today been declared in South African currency, payable to preference stareholders registered in the books of the company at the close of business on 24 June 1988,

Warrants dated S August 1988 will be posted to preference shareholders on or about 2 August 1988.

Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the company on or before 24 June 1988 in accordance

The register of members of the company will be closed from 26 June to 1 July 1988, inclusive By order of the Board per pro CONSOLIDATED GOLD FIELDS PLC London Secretaries, Mrs. G.M.A. Gledhid, Secretary.

London Office: 31 Charles # Street, St. James's Square, London, SWIY 4AG. 9 June 1988

GOLD FIELDS COAL

(Formerly The Clydesdale (Transvasi) Collieries Limited) (Incorporated in the Republic of South Africa) (Registration No. 01/01124/06)

DECLARATION OF DIVIDEND
Interim dividend No. 150 of 30 cents per share has today been declared in South African
currency, psychile to therefolders registered in the books of the company at the close of
business on 24 June 1888.

Namerics will be posted to shareholders on or about 2 August 1988. Standard conditions relating to the payment of dividends are obtainable at the share transfer offices and the London Office of the company,

Requests for payment of the dividend in South African currency by members on the United William abovementioned conditions. The register of members of the company will be closed from 25 June to 1 July 1989, Inclusive. By order of the Board, per pro CONSOLIDATED GOLD FIELDS P.L.C.

London Secretaries, Mrs. G.M.A. Gledhill, Secretary

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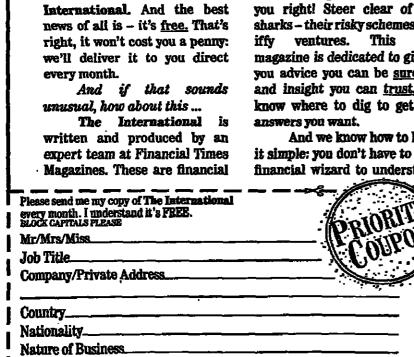
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THE

PRIORITY

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Firmer price trend whets appetite for new paper

THE RESILIENCE of the US point) over comparable US Treat from the last fortnight had bee Treasury market and the suries. strength of the dollar on foreign exchange markets yesterday con-reception and was bid at a dis-tributed to an improved tone count well within total fees. Synacross the board in the Eurobond dicate managers at houses not

However, trading remained limited ahead of US May pro-ducer price data due out later today and Eurodollar bonds ended the day largely unchanged following minor fluctuations in line with New York.

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Primary market activity slowed somewhat in the wake of Wednesday's rush of new issues. However, syndicate managers noted that the firmer trend to most secondary market prices had whetted investors appetite

appear to have undergone issue was also trading communications and was also trading communication and the started to rally last week.

In equity-linked issues, Yamai-more more more medical prought chemi-Analysts are now predicting that the yield on the key 30-year long bond will fall to below 9 per cent cal giant Mitsubishi Kesei to the

demand for dollars with two deals on Wednesday for American General insurance company
Synthetic Rubber which also carand Eurofima. Although both
ries an indicated coupon of 4% met reasonable demand, yester-day's offerings had an even The A

warmer reception.

Deutsche Bank Capital Markets brought the World Bank to the market with a five-year tone to the Sydney futures market mium at launch of 37 basis points (hundredths of a percentage The Australian dollar sector continued to improve following a bearish run last week. The firmer trend was supported by a better tone to the Sydney futures market after several days of volatility and traders here also said that the recent overhang of new (hundredths of a percentage

involved in the deal said the deal was correctly priced for a bor-rower of the World Bank's stand-ing and had hit a huge pocket of investor demand for top quality dollar straight paper in the five-

INTERNATIONAL BONDS

Suisse First Boston's issue for had whetted investors' appetite for new paper in many sectors was soon increased to \$250m its total fees of 1%.

In yen, Nomura led a Y10bm year issue was priced at 101% inveyear dual currency deal for with a 9% per cent coupon and dollar bond markets in particular the 79 hasis point yield spread at appear to have undergone a launch was deemed fair. The priced at 101%. The deal is change since the Treasury mar- issue was also trading comfort- redeemable in US dollars at a change of \$2107 per Vim of bonds.

shortly. The yield was at 9.05 per market with a five-year \$200m cent by the close of London equity warrant deal on which the compon is indicated at 4% per cent.

Nomura International led a \$100m five-year issue for Japan Synthetic Rubber which also car-

The Australian dollar sector

Nixdorf Computer sales up 13%

Late in the day, Credit Suisse First Boston launched another Export Development Corp. The \$150m 10-year deal carried a 91/4

BY OUR FENANCIAL STAFF

NIXDORF COMPUTER of West cost cutting. Germany said group sales rose 13

Overcapacities in the computer per cent in the first five months of 1988 from a year earlier. But this year for Nixdorf to reach its US dollar straight for Canada's goal of more than 10 per cent Superior Development Corp. The annual meeting he was not satisfied with the profit trend in this added that the company was not per cent coupon and was priced period. He called for aggressive planning to change its strategy.

Against this background West-pac Banking led a A\$50m three-year issue for Cerinvest, a financing vehicle for Cera, Belgium's largest private savings bank. The issue was priced at 101.80 and the coupon was set at 13% per cent, an attractively high level designed to appeal to Belgian retail investors with whom the name will be familiar. The deal traded comfortably within fees, traders said.

more or less absorbed.

Commerzbank in Frankfurt also led a A\$40m deal for a finan-cing unit of Standard Elektrik Lorenz. The three-year 13 per cent deal at 101% was bid at a

rate of \$8197 per Yim of bonds.

In West Germany, domestic bond prices firmed in active trade this morning following the New York trend. Gains were pared slightly however later in the day although net increases were around 40 basis points. Euromark prices finished better by a similar margin across the board in limited trade

Deutsche Bank led a DM200m issue for Dutch chemical giant Akzo. The five-year 5% per cent deal at 101 was considered on the tight side and the deal was hid at a discount of 2% against total

In Switzerland, dealers detected renewed investor interest, particularly in more recent deals. Nevertheless, most prices finished the day unchanged. Mitsubishi Bank (Switzerland)

led a SFr25m five-year deal at 4% and 100% for Yusen Air and Sea Service, guaranteed by Mitsubi-

FT INTERNATIONAL BOND SERVICE

Closing prices on June 9

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Coupon.

Lowertible Bonds: Denominated in dollars unless otherwise interact,
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shares. Car., price - Nominal account of bond per share expressed
returrency of share at conversion rate fluid at Issue. Prem - Percentage premium of the currenteffective price of acquiring shares via the
bond over the most recent price of the shares.

World Bank plans to raise dollar profile

THE WORLD BANK has unveiled its borrowing programme for its new fiscal year starting next month, revealing a far greater emphasis on the US dollar than

fiscal year starting next month, not be interpreted as a forecast slightly more than the \$11bn in about the US dollar.

BZ BANK, the small and innova-tive Swiss bank, announced yes-

the Dennis Levine insider trading

In the merger talks, made

known on May 5, a novel struc-ture for Switzerland had been

foreseen in which the two banks

would have operated indepen-dently under a holding company

that could have taken stakes in

non-banking enterprises as well.

Saudi Arabia

begins \$8bn

By Finn Barre in Riyadh

borrowing in 20 years, is due to be issued tomorrow. The placing will be made with private sector financial institu-

tions in the kingdom - an undis-closed amount has already gone to two large government funds,

the General Organisation for Social Insurance (Gosi) and the Civil Service Pension Fund. The first tranche will be worth anywhere from SR1bn to SR3bn, and further issues are to be made

The bonds, issued to cover a budget deficit, are a rare instance

of the Government openly paying interest on loans in a country where Islamic law forbids the

giving or receiving of interest.

The bonds range in life from one to five years, but the exact mix of maturities has not been revealed. Yields will be linked to US Treasury bonds, and the

bonds may come in floating-rate

form.
One financial expert observed:

"Banks will not be buying these to trade. After all, there is no

existing secondary market for Saudi riyals, and bankers doubt that one will develop soon."

The issue will cover part of a \$10bn deficit in the \$37.65bn 1987

Consumer goods

side helps

lift Procordia By Sara Webb in Stockholm

PROCORDIA, THE Swedish state-controlled holding company, reported a 26 per cent rise in profits (after financial items) to SKr443m (\$74m) in the first four months. Sales rose by 6 per cent to SKr5.29bn.

Full-year profits are expected to exceed last year's figure of

Procordia said the increase in profits stemmed mainly from improvements at its consumer goods and pharmaceuticals divisions.

sions.

In the consumer goods division, operating profits rose from
SKr242m to SKr288m helped by
increased profitability from

tobacco interests and strong demand for light and alcoholic

Operating profit for the pharmaceuticals division increased from SKr72m to SKr169m, while

sales rose from SKr677m to SKr953m.

Feldmühle Nobel unit

FELDMUEHLE, the paper-manu-facturing unit of Feldmühle Nobel, said world group sales rose to DM982m (\$574m) in the first quarter of 1988, from

DM939m in the same 1987 period. Mr Hartwig Geginat, the com-pany's management board chair-man, said sales and production for 1988 as a whole was expected

sees higher output

drinks.

bond issue

case in the US.

Stephen Fidler examines bank initiatives to place increased borrowing emphasis on the US currency

in recent years.

The programme, given currency was based on the instiapproval this week by the bank's tution's cash-flow requirements a Eurocommercial paper proexecutive board, calls for the bank to raise \$11.5bn in its 1989 ment needs, and therefore should has the flexibility to launch one.

has the flexibility to launch one.

Another element of the plan is a more active management of the about the US gollar.

Within the programme, the bank's interest rate and currency bank now has the ability to swaps programme, made necessary by the increased need to ings through its discount note swap funds into US dollars. This dollars in the current year, more than half of its post-swap borthan half o It will also be allowed to tap with two or three steps, the bank the bank estimates average Mr Don Both, World Bank other short-term markets "if that will now have the ability to hold savings on the swaps of 48 basis Treasurer, said the decision to makes sense," for example in an uncompleted swap until the points. The \$11bn raised in 1988

emphasis on dollars will be that the bank will be less inclined to follow its recent practice of swapping out of high coupon currencies into low coupon cur-rencies. Nevertheless, the bank intends to keep an active pres-ence in all the main capital mar-

gramme has been swapped and the bank estimates average

had an average life of 9.7 years and an average post-swap cost of

6.I per cent. About \$500m of the 1989 borowing increase will be achieved by expanding to \$2.6bn the programme of short-term borrowing from central banks, a cost effec

tive source of funding.
Mr Roth said the bank was hoping to take advantage of the recent capital increase voted by members and a Bank for International Settlements recommenda-tion that the risk weighting for the purpose of capital adequacy ratios on World Bank securities

should be zero. "We hope to be able to establish new benchmark borrowing rates on the best terms ever,"

BZ Bank Crédit Local de France gets ends talks to grips with changed status on merger

Crédit Local, says: "Last year nearly 40 per cent of our lending was in variable and floating-rate

loans, and we are also the leading

more bond funding.

FOR AN establishment less than nine months old, Crédit Local de France is proud of its AAA debt rating, even if it is the largest borrower on the French bond market after the state itself.

terday that it was withdrawing from merger talks with Bank Leu, the country's oldest and fifth largest banking group.

The "unconditional support of For although Crédit Local, which accounts for about half of the financing of French local all organs" which had been set as authorities, has 20 years of ances-a precondition did not appear to be present, BZ Bank said.

authorities, has 20 years of ances-try in the old Caisse d'Equipe-ment des Collectivites Locales (CAECL), it has changed not just its name but also its nature. Leu's management is understood to have resisted the joint ven-ture, although it was backed by Mr Kurt Schiltknecht, the new

Instead of being a state finan-cial institution with the full guarchairman.

He had been brought in to restore the bank's image, shadowed recently by its part in the Guinness affair in the UK and the Despite Levil inside trading. nations, the huge government financing network set up in 1816, with 25 per cent.

There are also private shareholders, including French banks, French lender in Ecus."
insurance companies and con- With FFr25.6bn of borrowings insurance companies and conand even some foreigners, like Crédit Communal de Belgique, Crédit Local's Belgian counter-

part. In former days, French local authorities' funding requirements were met overwhelmingly
through the regulated "Livret A"
savings book deposits. Funding
was at fixed rates which often did
not move for years.

The best moments."

Today the FFr75bn (\$12.9bn) a year local authority market, in ings prompted Crédit Local, which Crédit Local accounted along with Caisse de Refinance-last year for FF133.6bn and the ment Hypothecaire and Crédit THE INITIAL tranche of Saudi Arabia's SR30bn (\$8bn) domestic Caisse des Depots for another Foncier, to follow the French bond issue, the first government

Government's example in adopt ing a regular auction procedure Lending volume (F.Fr.billion) The group expects to raise between FFr10bn and FFr11bn of its total FFr25bn domestic borrowings this year through auc-Mr von Lowis says: "An auc

tion is sometimes slightly dearer than a syndicated issue. For a syndication, banks are obliged to bid and to anticipate a fall in rates. But we don't have the choice." He adds that Crédit Local's

average net borrowing cost in the first quarter of this year was 9.36 per cent, after using swaps and other interest rate management techniques, compared with an average for the TME government bond index of 9.41 per cent.

Although Crédit Local no longer has a monopoly over local authority financing and must compete against commercial banks, Mr Richard is confident that its specialist knowledge of the municipalities' needs and its on the domestic bond market last the municipalities' needs and its year, CAECL, up to September ability to help them manage their 30, and Crédit Local thereafter debt portfolios will continue to give it an edge.

was the largest issuer after the He expects its total assets to double from FFr153bn at the end state, although in many years Electricité de France would raise of 1987 to FFr300bn by the end of

Large construction projects like the FFr3bn Toulouse metro or the new light railway to Orly airport outside Paris offer a big market for the group.
"We have the fastest growth The need for regular borrow-

rate of any financial establish-

BNP to set up Tokyo offshoot

BANQUE NATIONALE de Paris. bank, is to open a securities house in Tokyo on Monday after receiving a licence from the Japanese authorities.

BNP's Japanese subsidiary will handle broking orders from the group's international network and underwrite Japanese securities issues, as well as working on the creation of made-to-measure investment products for Japanese

The granting of BNP's licence in March followed negotiations between the French and Japacal access to financial markets in the two countries.

Last year, the French Treasury held up the granting of banking licences to Dai-Ichi Kangyo Bank and Mitsubishi Bank of Japan in order to accelerate the granting of a securities licence to Credit Lyonnais and to Banque Indo-

The latter required Japanese approval after taking over W.L. Carr, the UK stockbroker, which already had a securities licence.

Since Japanese regulations preowning more than half of a securities house, two French industrial groups - St Gobain, the glass and packaging producer, and Sanofi, the chemicals com-pany - will each take 25 per cent of BNP's new Tokyo subsidiary.

This approximent appears as a matter of record poly.

June 1988



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PROFIT SHARING REINSTATED WITH MORE-THAN-DOUBLED PAYOUT

Higher call volume connects BT to £2.29bn

in the year to end-March year. reflecting higher call volume, it announced yesterday.

Mr Bryan Gould, Labour's Trade and Industry spokesman, criticised BT for making easy profits. "The good news for the City contrasts starkly with the bad experience of the consumer," he said in a statement.

BT, however, claimed that shareholders, consumers and employees had all benefited from

BT also announced that it had: reinstated its profit-sharing scheme, which it suspended last year as a result of the engineers' strike. The distribution of £38m compares with £18m distributed during 1985-86 and prompts spec-ulation that BT is giving its staff a double bonus to compensate for the missed year.

Mr Iain Vallance, BT's chair-man, said the £38m, which was

The profits, which were in line with City expectations, were driven by an 8 per cent increase in the volume of inland calls and a 14 per cent increase in interna-tional.

its performance.

awarded at the company's discreprofits advanced 29 per cent to awarded at the company's discreprofits advanced 29 per cent to its growth from the domestic network but less growth from intergrowth, however, in profits from a lot of staff." The

British Telecom increased pre-tax £2.2bm, and expected to increase amount will be shared equally the domestic network to £1.99bm, from Mercury Communications profits by 11 per cent to £2.2bm this by a further 10 per cent this between the 215,000 staff rather reflecting the costs of the strike, increased, increased in the year to end-March year.

Cellnet, BT's 60 per cent owned mprove customer service. Mr Vallance would not be

drawn on what the campaign had cost. However, staff numbers had grown by 1,500 and staff costs were 24 per cent up in the final quarter at £920m

tional.

There was 3.4 per cent growth in the number of residential lines and 8.1 per cent growth in the number of business lines.

The international division's the also expected stronger profits advanced 20 per cent to the state of the st

Cellnet, BT's 60 per cent owned mobile phone subsidiary, moved into profit last year and more

growth is expected this year. However, Mitel, its Canadian manufacturing subsidiary, remained only at a break-even level and Mr Odgers was not

ommended, making a total of 9.5p

KIO not to increase **BP** stake

By Steven Butler

THE Kuwait Investment Office has said it would not increase its 22 per cent stake in British Petroeum while the Monopolies and Mergers Commission conducts its inquiry into the KIO's acquisition of the stake.

of the stake.

The pledge, which is considered normal during such investigations, was made in undertakings given to the Trade Secretary. The KIO has also pledged not to purchase any percent of EP constitution in the "annual trade" in the "ann assets of BP except in the "normal course of business," requisi-tion an extraordinary general meeting of BP, or seek represen-tation on the BP board. The MMC investigation, which

began on May 3, was to last for four months and the Commission is still gathering evidence. Mar-ket speculation has centred on whether the KIO might be required to reduce its stake in BP to 10 or 20 per cent.

Whitecroft/Eleco

Whitecroft, the industrial holding company, has sold its entire 11.4 per cent stake in Eleco Holdings, the construction and building products group, for which it made an unsuccessful £25m bid

two years ago. The news prompted speculation that a new bidder could Gross rental income rose from arrive on the scene and Eleco's from property investments was is being raised to 6.85p (5.5p) by did not already own.

BAA takes off with £166m in first results

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BAA, formerly the British Airports Authority, achieved pre-tax profits of £166m in the year to end-March 1988, the first full year since privatisation. This was a rise of £42m or 34 per cent over the previous year's £124m.

Sir Norman Payne, chairman, soid vectorday that revenue use said yesterday that revenue rose from £439m to £523m, with pas-senger traffic at BAA's seven air-

senger trains at BAA's seven and ports (Heathrow, Gatwick, Stansted, Glasgow, Aberdeen, Edinburgh and Prestwick) rising by 15 per cent to 63.7m. Cargo traffic rose from 758,000 to 845,000 Karnings per share rose from a

notional 16p to 21p, and a final dividend of 4.25p per share is rec-ommended, making 7.25p for the Sir Norman said that during the year, shareholders' funds had risen from £694m to £898m mainly because we have reval-

Lynton Property & Reversionary, up from \$8.66m to £9.65m. the proposed final of 5p (3.85p). In property investor and developer, if the \$25m programme started lifted pre-tax profits by \$257,000 in 1967 for the development of BAA, the privatised authority for to £5.89m for the year to end-march 1988. Net asset value folio was progressing well.



refurbishment of Terminal Three ued certain of our assets around at Heathrow, and completion of the airports which we decided the first phase of Gatwick's newshould be treated as property North Terminal.

North Terminal.

Commenting on the nutre, he said BAA was now preparing its own independent study of future requirements for airport terminals, runways and airspace in the

Sir Norman also said that capital spending had increased from world economies was the dominant factor in boosting BAA's continuing work on developing Stansted in Essex as the data. continuing work on developing results, but Sir Norman expected the end of this year or early next, Stansted in Essex as the third traffic growth to return "to more and it would be used to help major airport for London, the normal levels" this year.

Lynton Property rises £637,000 to finish at £5.89m

Electrocomponents plc

The Major Electronic and Electrical Distribution Group

20th successive year of record profits

Sales up 28% to £311m

Pre-tax profits up 15% to £46.7m

Earnings per share up 15% to 14.7p

Dividend for year up 18% to 4·37p

"We are well positioned in our markets

and trading conditions are generally favourable.

We look forward to another year of progress."

electrocomponents pic 21 Knightsbridge London SW1X 7LY

ents of this statement, for which the Directors of Electrocomponents pic are solely responsible, approved for the purposes of Section 57 of the Financial Services Act by an authorised person. Pass performance is not accommity an indication of fature performance.

Tony Chubb, Chairman

Results to 31st March

ther major projects would be

In the meantime, BAA's "firm policy" was to expand, especially into new areas such as direct retailing, building hotels, devel-oping its properties and expanding its international consultancy

One problem for the future might occur if the European Commission decided to abolish intra-Community duty-free sales which provided about 10 per cent of BAA's total revenues (about

In such a situation, Sir Nor man said BAA would recoup the lost revenues with higher charges to the airlines, possibly through a 15 to 20 per cent ase in landing fees. See Lex

Titaghur share deals resumed

Dealings resumed yesterday in the shares of Titaghur Jute Factory, textile trader and importer, after being suspended last month because of the company's failure to pay its annual listing charges. But Titaghur has now paid its listing fees and has sorted out its

problems with its registrars - a Dundee company called Cram, Worsley – which had been refusing to register share transfers because they had not been paid. The markets did not exactly welcome back Titaghur with

U.S. \$30,000,000 Banco Latinoamericano

De Exportaciones, S.A. loating Rate Notes due 1991 th Warrants to purche 3,000,000 Shares of umulative Participatio

Nedlibra Finance 8.V.

basis by Libra Bank PLC

THE THAILAND FUND issued by MORGAN GUARANTY TRUST COMPANY OF NEW

Morgan Cuernosty Treat Courpes of New York Brussels Office as Depositary

Cater Allen attacks Financial **Services Act**

By Andrew Hill

MR JAMES Barclay, chairman of Cater Allen Holdings, the discount house, yesterday criticised the Financial Services Act and the Banking Act.

His criticisms accompanied Cater's results for the year to April 30, accidentally released on Wednesday evening by the Stock Exchange.

The discount house proposed an increased final dividend of 17.13p, making 22.5p (20.15p) for the year, ahead of most expectations.

The shares rose 17p to close at 390p. Cater also disclosed post-tax profits up 30 per cent to £7.15m, against £5.5m in

Mr Barclay said all parts of the business had suffered from the cost of complying with the

Financial Services Act. He described the new rules as "hopelessly tardy.

The rules "interfere too much with the conduct of honest, efficient companies and

still cannot possibly assure us that the villains will be caught," he said.

He welcomed the Bank of England's new regime of wholesale market supervision, but said he believed the Bank. but said he believed the Banking Act 1987 unnecessarily restricted Cater's ability to lend to creditworthy clients, such as large companies for whom it discounts hills.

The Act prevents banks lending more than 25 per cent of their capital and requires them to report any lendings representing more than 10 per

tional gilt-edged and money market business reported profits of £4.75m (£4m); Lloyd's insurance interests, financial futures broking, and the Jer-sey-based offshore banking, trust and fund management operation together made £2.4m (£1.5m).

comment Although the City liked

Cater Allen's results, optimism was perhaps slightly clouded by the possibility that rising interest rates could have beld back the basic business since the year-end. The future of dis-count houses is also uncertain. Since Big Bang, outsiders have often viewed the discount mar-ket as an anachronism, but in October the Bank of England may allow further players to join the eight in the market. Cater's management says it which, if nothing else, would certainly give the sector some security. Cater also looks comparatively well-protected against increased competition by its diversified businesses. Meanwhile it probably repre-sents the best investment of the four independent discount ses. Forecast profits are all but irrelevant given the effect a capricious market could have on revenue, but if the company pays full-year divi-dends of 24p in 1988-89, the shares offer a handsome pro-

Beecham rises 15% thanks to no interest charges

Beecham Group, drugs and consumer products company, yester-day reported profits ahead by 15 per cent to £406.5m for the year to March 31 1988. However, the bulk of the advance from £352.5m was due to a £41.5m turnround in the interest charge — from a £38.5m deficit last time to £3m receivable following the disposal of consumer goods businesses.

Group ales declined 10 per cent from £2.77bn to £2.48bn, although sales of continuing over-the-counter medicines

cent from £2.77bn to £2.48bn, although sales of continuing businesses increased 7 per cent to £2.38bn. Currency translations es increased 7 per cent to shaved £105m off turnover and 24m off pre-tax profits. Beecham shares fell 6p last

night to close at 478p.
"Our businesses are inherently strong, even though reported results were materially affected by currency, particularly the US dollar," said Mr Robert Bauman, group chairman, "We have mproved market shares, attained higher margins and generated substantial cash."

Earnings per share rose 16 per cent from 27.23p to 31.68p, and the recommended final dividend of 8.7p makes a total for the year

of 14.3p (13p). Beecham this week filed an application with the Food and Drug Administration to market its new heart drug, Emmase, in the US, said Mr Bauman. Earlier this month the company enlisted Upjohn, the American drugs

ics Augmentin and Thesatis, increased by 11 per cent to £279.3m. Over-the-counter medicines saw profits alip 16 per cent to 260.4m due to the weaker dol-lar and increased marketing expenditure.
The consumer products division, which includes brands such as Brylcreem, Macleans tooth-paste, and Yardley through to Marmite. Horlicks, Lucazada, Boyril, Ribena and Ambrosia Creamed Rice, saw profits rise 6 Creamed Rice, saw profits rise 6 per cent from £168.1m to £178.7m. A worldwide property revaluation resulted in a £127m corplus.

over-the-counter medicines account for 65 per cent of turnover, raised operating profits by 7 per cent to £339.7m (£316.7m). Profits of prescription medicines, driven by higher sales of antibiotic for the counter of the counter of

Net borrowings last time of £54.8m were replaced by net funds of £221.8m. Tax took

Porter Chadburn merger values LDH at £9.2m

BY DAVID WALLER

the guidance of Mr Raymond north of England.

Mr Dinkin, chief executive designate of the new grouping, said yesterday that the move, which values LDH at £92m, was consistent with Porter's planned expansion in the specialist distri-

bution area.
It follows the £6.6m purchase in November of Tasco, a distribu-

Porter Chadharn, industrial con-glomerate, is to merge with LDH. Upholsterers, announced yester-upholstery fabric distributor. The day. Snow Hill is based in Birdeal is the most significant step mingham, whereas LDH's exist-in Porter's reorientation under ing business is centred on the

LDH made pre-tax profits of \$1.2m in its last financial year, Porter made £1.7m in the year to April compared to £158,000 in the first half. Combined turnover approached the 160m level.

The marger was widely expec-ted after shares in both compa-nies were suspended on Monday. Back from suspension, Porter's tor of products in sports and leisure markets, and the fam purchase of two importers of fishing tackle in April this year.

LDH's geographical spread is to be strengthened with the

Globe. Ensign and L&E emerge as backers for Retail Corporation

Globe Investment Trust, Ensign in equity capital and more than Trust and London and Edin- 40 per cent will come from these hurgh Trust, property group, have emerged as the major backers of the Retail Corporation, a new garden centre company being set up by Mr Malcolm Par-kinson, a former Woolworth director, and Mr John Kennedy, a former finance director at B&Q. The Retail Corporation will rade under the name of its wholy-owned subsidiary The Garden

three companies. Other backers include 31 and clients of lifacorp Earl, the minimerchant bank which has been handling the private placing. The Retail Corporation aims to have at least three stores run-ning by the end of the first year and is targeting for 50 within the

The aim is to situate the sup tore. stores on out-of-town sites of its intention was to raise £10m between three and five acres.

Leigh's pre-tax profit

Dividend increased by 36%

Results in brief	Year ended 31st March	Year ended 31st March
	1988	1987
·	£000's	\$'0003
Turnover		
Continuing activities	41,453	33,318
Discontinued activities	<u> </u>	8,935
Total	42,388	42,253
Profit before interest	5,149	4,007
Interest	(1,025)	(1,533
Profit before tax	4,124	2,474
Taxation	(1,525)	(888
Profit after tax	2,599	1,586
Transfer to reserves	1,114	703
Dividend on Ordinary		
Shares per share:		
Interim	1.83p	1.40p
Final recommended	3.82p	2,750
Earnings per share	12.8p	8.4p
Fully diluted Earnings per share	11.5p	
Average number of shares in	45 40 4 000	
issue	17,484,000	- 15,778,000

(The ligures for the year are abridged from the Group's full accounts for that period, which have received an unqualified Auditors Report and will be filed with the Registrar of Companies following the Annual

Leigh Interests pic · Lindon Road · Brownh Nalsall · West Midlands WS8 7BB,

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Lourho, mining, trading and sional trading performance. industrial group led by Mr Tiny Turnover rose to £1.43bn Rowland, yesterday reported (£1.37bn) in the six months to interim pre-tax profits of £80.4m, March 31, while the tax charge

level of many analysts' expecta-tions, but the shares closed up pany has been reducing its bor-lower at 239p. Some analysts felt rowings over the past year, pany has been reducing its borthe company was being cautious though a Lonrho spokesman in merely stating that it expected declined to spell out the figure. "trading for the full year to certainly exceed that of last."

A statement said the s

As usual at the interim stage, which has since been sold.

The group gave few details of the profit and loss account or divi-

up 6 per cent on the £76.1m was lower at £30.2m (£35.2m), achieved in the same period of leaving attributable profits of last year.

The figures were around the ure was also helped by a lower

Lonrho manages 6% rise to £80m

The company announced an unchanged second interim dividend of 4p, but it pointed out that the dividend had, in effect, been increased by 17 per cent since it had been declared on an increased share capital following at 1 for 6 capitalisation issue. Karnings per share also rose 17 per cent from 9.2p to 10.8p.

As a statement said the performance of Lonrho's UK companies had been strong, with particularly good contributions from its Metropole hotels business, its Wolkswagen motor distributorship and its various printing and publishing activities. At the interim stage last year the publishing side was degressed by the loss-making Today newspaper, which has since been sold.

increase in sterling profits. In strong performance by its core Africa, the company said the substantial expansion of its gold and achieve well in excess of 1m ounces production of metals by

hotels, with a rather mixed out platinum mining activities conturn in that other key profit area, timued, with current annual out-mining and oil. Western Plati-

message yesterday was of a factors. Strauss resigns as broker

Strauss, Turnbull has resigned as to the takeover plans. Strauss, broker to John Michael Design, Turnbull said that there was "no USM-quoted design consultancy, animosity" between the broker which is currently negotiating a reverse takeover.

Several earlier plans for the

Mr David Lambert of JMD said reconstruction of JMD have been

put in excess of 800,000 ownces of num, in particular, was held back gold and platinum group metals. by both precious metal price lever mining programme for the els and by technical refinery future was also on target to shutdowns. But the second half. which is usually more important for the group, could prove a little brighter, despite the cautious
Lonrho also revealed that it tone of yesterday's statement. The Lorrho also revealed that it tone of yesterday's statement. The has set up a partnership with Krupp Handel, the West German both platinum prices and productrading house, but declined to give details. Previous reports had profits forecasts range between suggested that the British group might have taken a 50 per cent stake in Krupp.

Comment

Co The minimal information given by Lonrho at the interim stage always makes interpretation of always makes interpretation of the figures difficult, but the basic massage westerday was of a statement of the control of t

Boardroom split at **Memcom**

Two directors of Memcom International, manufacturer of microfiche filing systems, have resigned at the request of the other members of the board.

A statement from the company alleged that Mr Kanwal Dhiman and Mr Melvin Perera had resigned following the default of Mr Dhiman in meet-ing his contractual arrangements for the company's £2.3m rights issue announced in May. The company will now pro-ceed with the rights issue without Mr Dhiman," the company said. "Arrangements for the underwriting are in the process of finalisation prior to the circulation to sharehold-

Neither Mr Dhiman nor Mr Perera were available for com-ment yesterday. Memcom's shares fell 1p to 23p.

Tinslev Robor for SE

Tinsley Robor, a packaging and printing company, is preparing to join the stock market via a placing next month.

Granville, the financial services group, will place shares to raise about £4m for the com-

This will give Trusley a mar-ket capitalisation of about

Berkertex attacks Ellis for allowing brands to 'languish'

BY ALICE RAWSTHORN

Berkertex has attacked Ellis & has been sent to shareholders, Goldstein, the fellow womenswear group for which it is mounting a £28m bid, for failing established womenswear brands, It now embraces the Berkertex. mounting a £28m bid, for "failing established womenswear hrands, to respond to the changing retail to "languish".

The Ellis board, which is advised by Kleinwort Benson, has repeated its rejection of the Berkertex offer. Mr Alan Phil-

pott, Ellis chairman, described it Jenni Ba as "a hlatant attempt to buy Ellis relaunched. & Goldstein on the cheap".

Berkertex, advised by SG War- finance its oner by raising of its offer document, which burg, was formed by a manage- from institutional investors.

It also attacks the "costly failtwo new brands launched by Ellis in recent years. EX has since been withdrawn while Jenní Barnes has been

bridal and womenswear busi-nesses, and Fifth Avenue, a fash-

It is offering 95p in cash for every Ellis share. The Ellis share price, which has risen on speculation since the bid, stood at 112p yesterday. Berkertex intends to

Jantar rebuffs bid approach

DIRECTORS of Jantar, the investment concern formerly the 24-year-old son of Mr Asil involved in mining, have rebuffed a hid approach worth international, the international frading company.

Mr John Duffield, a director, said yesterday. "Tm not saying them internations for the covering for the c

Jantar's shares, which have risen sharply since Mr Parris took an initial 10.08 per cent

there isn't a price for the com-pany, but this is far too low."

Mr Duffield is also chairman of stake last month, closed 25p Jupiter Tarbutt, a financial man-higher at 105p yesterday, val-agement group. Its clients control

THE BASIS FOR PROFITABLE GROWTH

said yesterday. "I'm not saying

agement group. Its clients control

A further 19.5 per cent of the shares are held by institutions whom Mr Duffield said he "knew to be friendly to the present man-

Mr Parris said: "In the light of the share price movement today I shall have to weigh up my

Mr Parris, 34, was a stockbro-ker with Douglas le Mare until a few weeks ago. Until last Decem-ber he was a director of G.W. Joynson, a commodity broking organisation. He said Mr Nadir

New name and generalist slant for TR Natural Res. BY DAVID WALLER

Shareholders at an extraordinary general meeting sanctioned this and other proposals designed to reorientate the trust as a generalist fund rather than a specialist one.

In the event, the meeting passed without rumpus with only one shareholder voting against any of the proposals put forward by Platou, a Norwegian investment company which acquired just over 50 per cent of TRNR's shares as a result of a takeover hid last September.

A possible row had been defused earlier in the week after the board of TRNR dropped proposals to change the trust's under the management of Marathon, a recently formed investment company.

However, he expressed the view that Sphere would be hampered in its investment policy if the change to its articles was not seventually made.

The proposal would have required the support of 75 per cent of TRNR's preference shareholders who were believed to be unhappy at the proposal.

TR Natural Resources, an £85m articles of association. The pro-investment trust, died yesterday posals would have allowed the and was reborn as the Sphere irust to concentrate its invest-investment Trust.

rather than the 25 that is now the Mr Eivind Astrud, Platou's president, yesterday described the issue as relatively insignifi-cant in the light of the major tone. changes TRNR is set to undergo under the management of Mara-assed without rumpus with only thon, a recently formed invest-

Acal coming to USM

assembles products for electronic components and industrial controis, is joining the Unlisted Securities Market via a placing by J Henry Schroder Wage by J Heavy Schroder Wagg.

At a placing price of 135p per share, the company is capitalised at £18.4m. Schroder Wagg is placing 2.2m shares, 16.2 per cent of the enlarged equity, to raise £3m. Schroder Wagg is placent for leading foreign suppliers. Major customers include Bull, Ericsson, GEC, IBM, Olivetti, Philips, Racal and Siemens.

Seriesing shareholders are selling the end products manufactured with the company of the

expenses for the company.

The company was formed diagnostic equipment and control through a merger in February panels for aircraft last year between the Auriema Pre-tax profits

Acal operates in the UK, Bel gium, France, Germany, Italy, the Netherlands, Sweden and the US. The operating subsidiaries

The end products manufac-tured with the components and Scisting shareholders are semage tured with the components and specific spe

Pre-tax profits have grown Group - the former main Suro-from £683,000 in 1984 to £2.46m for the year to March 31 1988, international Group (AIG) - and international Group (AIG) - and Contract Group (AIG) - and Centre Group, a private UK com-

New Throgmorton

the fall in new compared with a cent and 38.33 per cent.
decline of 10 per cent in the FT-A ARLEY HOLDINGS is acquiring
All Share index. "As long as the System Software (UK), a compu-

IN BRIEF

The net asset value of The New Throgmeston Trust (1983) was 242.7p per capital share at end-march, a decline of less than 2 per cent on the figure prevailing holders, Chillington Corporation and International Investment Trust of Jersey had raised to per cent of the New ANGLO-EASTERN Plantations, holding company for Indonesian rubber, cocoa and palm oil plantations, said its two largest share holders, Chillington Corporation and International Investment Lord Exra, chairman of this Trust of Jersey had raised their split-level investment trust, said respective interests to 38.5 per

All Share index. "As long as the existing developments in the economy are not disrupted, I economy are not disrupted, I expect to be able to report gains next year for both classes of shareholders," he added.

A final dividend of 4p is proposed for the 12 months to March 31, making a total of 5.5p (4.6p) March 31 1988 and its net assets from earnings of 5.98p (4.87p).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding div	Total for year	Total last year
BAAfin	4.25	Aug 10	-	7.25	-
Bootsfin	5.7	•	5.2	8.8	8
British Telecomfin	5.75	-	5.1	9.5	8.45
Brown (N)fin	3.5t		2.63	5	3.75*
Comford Ragint	1	July 22	-	-	3_
Carr's Millingint	1.75	July 8	1.75		7.25
Cater Allen Hidgfin	17.13	July 21	14.78	22.5	20.15
Electrocompfin	8.1	•	2.6*	4.37	3.7*
James Finleyfin	2.15		2.15	4.15	4.15
Hunter Saphirfin	2.7	July 26	2.25	4.05	3.3
III. Informationfin	1-6	-	0.01	2	0.01
Johnson & Firthint	0.6		0.5		1.5
Learmonth &fin	1.2	Aug 23		1.7	435
Leigh Interestsfin	3.821	Sept 30	2.75	5.65	4.15
Lynton Propertyfin	5	July 2	3.85	6.85	5.5
Lourho	-4	Oct 8	4_	45 50	13*
M&G Second Dual .fin	7.68	*-i-~	6.45	15.58 5.5	13.55 4.6
New Throgmorton .fin	.4.	July 28	3.35		1.5
Phoenix Timberfin	· 15†	-	1.5	2.5t	4.38
RCO HoldingsInt	2		1.46	-	5.5
Sidlawint	2.75	Aug 5	2	5.78	5.78
Westland	3.44	Aug 1	3.44	J. 10	3.10
Westlandint	1.25	July 29	1.25	•	هه

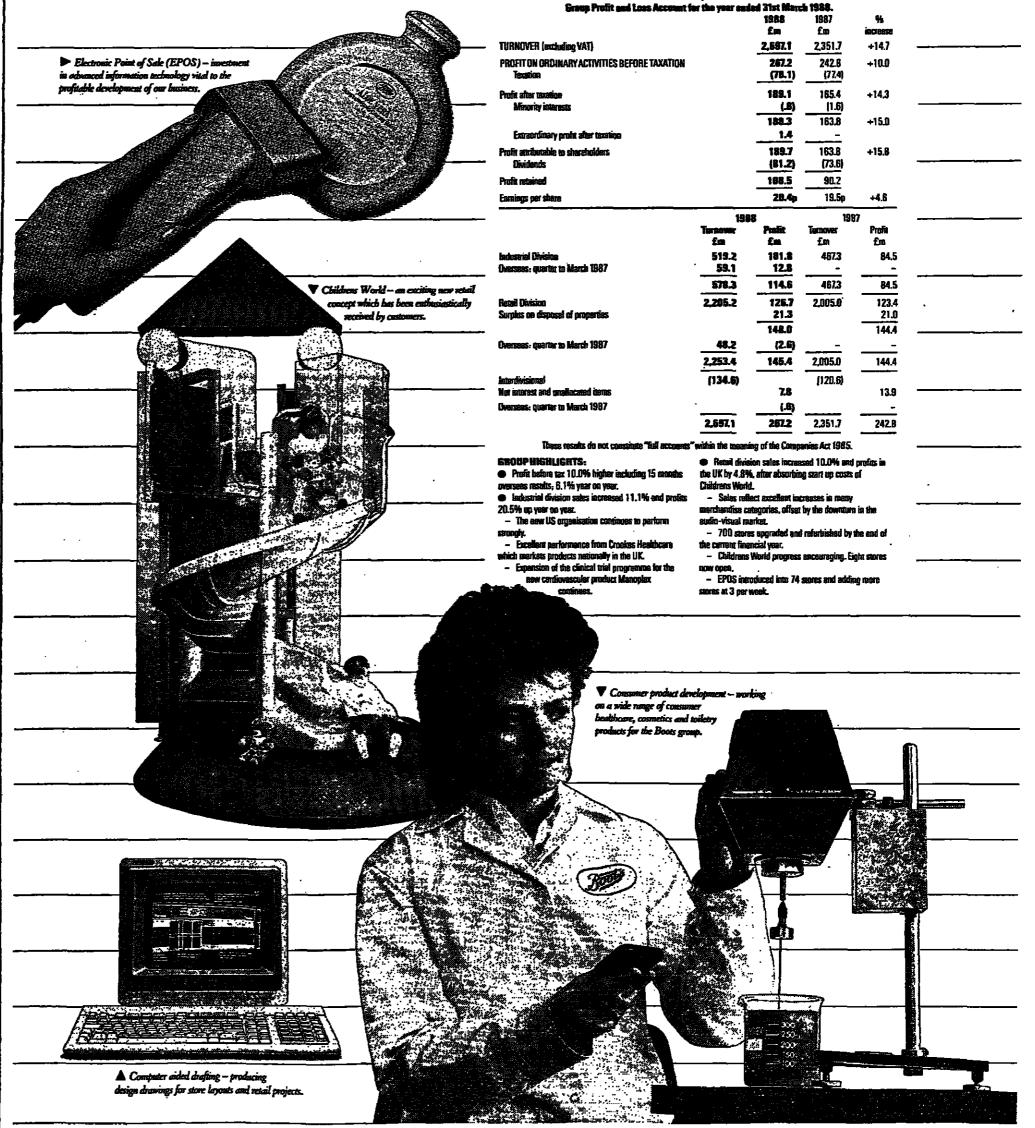
Dividends shown pence per share net except where otherwise stated. "Equivalent after allowing for scrip issue, tOn capital increased by rights and/or acquisition issues. \$USM stock. \$\text{SUnquoted stock.} \$\text{Vihird market.}

BOADD MEETINGS

OUARD MEETINGS				
The following companies have notified dates of board meetings to the Stock Eucharge. Such meetings are usually letel for the purpose of considering dividends. Official indications are not available as so whether the dividends are interies or fleats and the sub-divisions through below are based mainly on last year's limelables. TOBAY Interies- Appletree, Flust Union Ges., Inv. Trust	Associated Nempapers Lee (Arther) River & Merc. Amer Tot Unit Group Floath Angle United BET Capital Geering Trust Glaybilte Elabung Gold Mining Jones Strood	July 14 June 22 June 14 June 20 June 20 June 13 June 15 June 15 June 23 July 14 July 5		
Finale- Harmony Leisure, Hicking Pentecost,	Randicateln Est. Mining	June 23		

to John Michael Design

neing the company at £5.15m. 29.9 per cent of Jantar, consisting On Wednesday, Mr Parris of 19 per cent held by members of approached Jantar with a view to the Tarbutt family, which buying it at 75p per share. founded Jantar 85 years ago, with He suggested taking control in the remainder held by discretion-



The full report and accounts will be costed to shareholders on 30th June 1988 and copies will be available from the Secretary of The Boots Company PLC, Notmethen NG2 3AA. The Annual General Meeting will be held at the Generate House Hotel, Park Love, London W1., at 11.00 a.m. on Thursday 28th July 1988.



THE BOOTS COMPANY PLC

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to any person to subscribe for or to purchase shares. Application has been made to the Council of The Stock Exchange for the whole of the ordinary share capital of Dauphin pic issued and now being issued, to be admitted to

DAUPHIN plc

Placing by

BARCLAYS de ZOETE WEDD

of 5,500,000 Ordinary shares of 5p each at 105p per share payable in full on acceptance

Share capital following the Placing

£1,400,000

Ordinary shares of 5p each

Issued and now being issued fully paid £1,075,000

Dauphin plc and its subsidiaries are engaged in the design, manufacture and marketing of office, contract and industrial seating and a growing range of diversified components for other industries.

Of the 5,500,000 Ordinary shares placed, 66 per cent. have been placed by McCaughan Dyson Capel Cure and 34 per cent. have been placed by the regional Stockbrokers referred to below. The Listing Particulars relating to the Company are available in the statistical services of Estel Financial Limited and copies may be obtained during normal business hours up to and including 25th June, 1988 from:

McCaughan Dyson Capel Cure
65 Holborn Viaduct

1 and 5 up to 15 lessuing House
Barclays de Zoete Wedd Limited
York House EC1A 2EU

Regional Stockbrokers Rensburg Silkhouse Court Tithebarn Street

and at the registered office of the Company, Peter Street, Blackburn, Lancashire 881 5LH and up to and including 14th June, 1988 from the Company Announcements Office, The Stock Exchange, 46-50 Finsbury

JFB reaches £3.85m

Johnson & Firth Brown, Shef- about 61 per cent of sales in the proceeds come through in July field-based metals and engineering group, increased pre-tax profits by 44 per cent to £3.85m in the six months to March 31, against \$2.67m in the equivalent period.

Turnover advanced to \$50.4m (£424m), helped by a £5.8m con-tribution from Woodhouse & Rixson, the metal parts manufacturer bought for about £14.6m in

Mr Roy Shephard, chief execu-tive, said: "JFB is moving away from exposure to the commodities part of the steel and aerospace industries and into special-ity engineering - companies with decent niches where we are not exposed to all sorts of prob-lems like currency and materials

He added that about 50 per cent of the growth achieved over the next three or four years would be organic, 25 per cent product development and the rest through selective acquisitions, idding to the existing activities. Rarnings per share rose from 1.6p to 2p. An interim dividend of 0.6p (0.5p) was declared.

comment

Last month's sale of its share of Sheffield Forgemasters -jointly owned with British Steel

latest period. Mr Shephard said Borrowings will come down from he expected to reduce the propor- 55 per cent to about 33 per cent at tion of sales from metals to about a stroke. However, the sale also 10 per cent within the next removes one of the stock's more endless City speculation. Attention will now shift to JFF's host of subsidiaries. Mr Shephard has \$230.9m against £243.0m. shown his management mettle in the past and is apparently under said that the company was well no illusions as to the length of positioned in its markets and time it will the total and the company was well as the company w

expectations and JFB shares rose 0.75p to close at 41.75p. On fore-cast full-year profits of £8m before tax they are on a prospec-

Brown rises 47% to £13.5m

N. Brown Group, the mail order company controlled by the family of Mr David Alliance, chief executive of the Coats Viyella textiles empire, yesterday announced a 47 per cent increase in pre-tax which specialises in catalogues profits to £13.5m for the 53 weeks for elderly, outsize women — is to March 5. Sales rose 37 per cent still the dominant area of activ-

Mr Jim Martin, managing by 29 per cent to \$53.6m and \$11m director, said that every part of respectively. the group had performed well during the year including the logue concept - directed towards recently acquired financial and more affluent women within its

3.5p is proposed, making a total of 5p (3.75p) for the year. The mail order business -

which specialises in catalogues ity. It saw sales and profits rise

Brown plans to test a new catatraditional target market - this

Earnings per share rose to autumn. If it is successful, the 15.8p (11.5p). A final dividend of catalogue will be launched catalogue will be launched nationally in autumn next year.

Two years ago Brown diversified beyond its traditional base by buying Morfitt & Tumbull, a life insurance and insurance and pension bro

It has since expanded into property services with the acquisition of Dunlop Heywood. The businesses contributed sales of \$6.9m and profits of \$2.5m during

Electrocomponents in 15% advance

BY VANESSA HOULDER

Electrocomponents, the electrical removes one of the stock's more distribution group, yesterday interesting features, a focus of announced a 15.3 per cent endless City spouleism.

time it will take to turn JFB into trading conditions were generally

a speciality engineering company, a necessary move as it is no longer possible to pass rising distributor, acquired for film in commodity prices on to custom- November, had achieved expectations. The results were in line with tions, said Mr John Robinson, the results were in line with tions, said Mr John Robinson, and Mr John Robinson. managing director. The UK and West German operations were trading profitably and the more recently-formed Italian operation was expected to do so in 1988. Overall, acquisitions covered its financing costs with a small sur-

plus.
The breakdown of operating profits was as follows: distribu-tion to industry £39.1m (£35.2m); franchised component distribution £1.2m (£1.9m); distribution to retail £4.5m (£1.9m); distribution to commerce £1.2m (£0.4m). Discontinued businesses had losses of £0.5m (£0.4m). Interest receiv-

able was £1.2m (£1.5m). The distribution to industry sector, which embraced RS components, broadened its product range during the year and achieved satisfactory growth in

sales and profits. UK companies in franchised distribution experienced some strengthening in demand. How-ever results from West Germany, where demand was low throughout the year were disappointing, said Mr Robinson. Management changes coupled with some improvement in demand should bring a more satisfactory return

The distribution to retail distsion performed well. The mean-facture, design and distribution of decorative lighting products was now a significant part of the business, said hir Robinson.

An extraordinary item of 10.7m was charged reflecting costs of transfer, closure or disposal of parts of Electroplan in the UK.

After spending about £20m on acquisitions during the year, and increasing the inventory at RS Components by £14m, net borrowings at the year end were £3m and, including the loan score issued for recent acquisitions, gearing was 7.6 per cent.

Earnings per share increased from 12.75p to 14.7p. A final dividend of 3.1p per share was recommended, making a total of 4.37p (3.7p) per share.

comment

These results offered no suprises and the share price barely wavered from 216p. Thus, with analysis forecasting profits of around £55m, the shares are on an above average multiple of 12. This high rating reflects the com-pany's excellent record in the past ten years it has challed up a compound earnings per share growth rate of 22 per cent. It also suggests that shareholders are sanguine about the company's efforts to diversify away fibus its core electronic components market, which is now relatively mature. Any move into markets where the company lacks expert. ence brings potential pitfalls although so far, its acquisitions in the lighting and computer sup-plies market have lived up to

Property helps 600 Group to 32% profit increase

SIR JEFFREY BENSON, chairman of the 600 Group, produced an up-beat statement on trading prospects yesterday as the machine tool manufacturer and distributor unveiled a 32 per cent increase in pre-tax profits from \$5.03m to \$6.63m in the year to the end of March.

The improvement included a 2.24m property profit. But Mr Benson said that during the last few months the 600 Group had seen a steady increase in order intake in both home and overseas markets.

year is more promising than at any time in the last three years," his said. "British industry appears, at last, to have gained sufficient confidence to begin to replace its ageing manufacturing facilities. Such a programme of investment will, if it continues, augur well for the group's machine tool companies in the

United Kingdom. But he warned there were two significant factors which would affect its prospects: first, the future level of capital investment by UK industry; and second, the sterling exchange rate, since the group exports well over half its UK output and derives a significant part of its income oversess. Sir Jeffrey said the group would be seeking to make acqui-sitions to reduce its dependence on machine tools.

achieved operating profits of £1.36m (£1.77m) on turnover of £43.99m (£51.06m) in a context of low order intake during the first three quarters.
UK trading companies, which

Manufacturing companies

distribute a wide range of for-

eign-made tools, made £1.63m, against a loss of £382,000, on turn-over of £38.56m (£31.05m). Overseas companies made \$1,46m (\$1.72m) on \$41,28m (\$40.75m) inrnover.

The pre-tax result was struck after taking into account an exceptional net loss of £114,000 representing a change in the basis of contract accounting and reorganisation costs. There was a £462,000 extraordinary loss on the closure and sale of businesses

The outlook for the coming is 3.435p, making 5.775p.

As Sir Jeffrey says, the 600 Group's future hinges on how many machine tools manufacture ing industry thinks it needs. If today's hopeful level of demand continues, the company could achieve the economies of scale achieve the economies or scale that would impact on margins, and reverse the declining trend in its underlying businesses. There is certainly plenty of scope in the UK, which works with tools about double the age of those flower's small commanies are those in west Germany, and the soo Group's supply companies are well-placed to provide virtually any type they may want. Meanwhile, the company would be reaping the benefits of the rationalisations of the last few years. Currency translations, of course, continue to cast a shadow over overseas operations. Analysts are looking for an improvement in pre-tax profits to about £7.8m this year, including \$2.2m of property.
The shares have long been overrated so a prospective p/e of \$3.
makes them a hold.

RCO advances 40%

RCO Holdings, cleaning contractor, lifted pre-tax profits by 40 per cent from £659,000 to £923,000 for the six months ended April 1.
After tax of £336,000 (£242,000),
earnings came out at 5.57p (4.09p)
per 10p share. The interim dividend is raised to 2p (1.46p).

ITL static at £2.5m

Profits were almost static at ITL Information Technology in the year to April 3 1988. The taxable figure of £2.52m compared with Product development expenses rose 16 per cent to £4.26m. A final dividend of 1.6p makes 2p (0.01p)

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THE FACTS

In the year ended 31 March 1988, British Telecom:

■ Increased pre-tax profit by 10.9% to \$2,292 million

- Increased turnover by 9.1% to £10.2 billion (\$19.2 billion).
- (\$4,332 million). ■ Increased earnings per ordinary share 12.6% to 23.6
- pence (£2.36 per ADR).
- Increased dividend 12.4% to 9.5p net per share.
- Benefited from strong growth. Demand for domestic and international calls grew by 8% and 14% respectively.
- Made capital investment of £2.4 billion (\$4.5 billion) much of it in modernising networks, introducing new services and improving customer support systems.
- Doubled rate of introduction of modern digital central office switches.
- Installed 3 million digital access lines and 160,000 fibre kilometres of fibre optic cable.

British Telecom is one of the world's largest telecommunications companies. Together with its subsidiary and related operations, it is playing an increased role in worldwide telecommunications and information services, and is strongly positioned to benefit from the growth in global demand for better communications.

If you have any enquiries as an investor, please write to: Hugh Merrill, Investor Relations Manager, British Telecom, 81 Newgate Street, London EC1A 7AJ, England. Telephone: +44 1 356 5386.

THE FIGURES

Financial Results for year ended 31 March 1988 Turnover 2,688 2,394 10,185 9,339 Operating profit 691 629 2,609 2,349 Profit before taxation 598 2,292 2,067 Profit attributable to ordinary shareholders 1,417 1,257 Earnings per ordinary share 5.6p 23.бр 20.9pDividends per ordinary share (net) 9.5p 8.45p

The accounts from which these figures are extracted have not yet been filed with the Registrar of Companies or reported on by the auditors. These financial results have been prepared in accordance with accounting principles generally accepted in the UK. Dividends are stated net of UK tax credit. A final dividend of 5.75 pence net per share will be proposed to the Annual General Meeting, making a total dividend of 9.5 pence net for the year. It will be

paid on 5 September to those investors on the register on 4 August 1988. The Annual General Meeting will take place on 29 July 1988 at the National Exhibition Centre, Birmingham, West Midlands. The Report and Accounts and information about this and other shareholder meetings will be posted to investors from 23 June 1988.

North American investors should contact: John Doherty, Vice President Financial Relations, British Telecom Inc., 150 East 52nd Street, New York, New York 10022. Telephone: (212) 319-1945.

British Investing for growth Financial Times Friday June 10 1988

35

World-wide turnover of continental European companies exceeds DM 8,600,000,000

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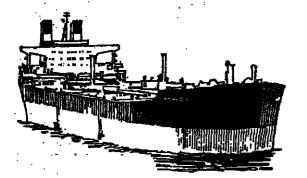
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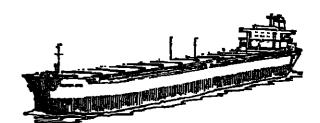
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Krupp Lonrho fleet totals over 3 million deadweight tons FILMS ROVER INTERNA-TIONAL LTD AND OTHERS V CANNON FILM SALES LTD; CANNON FILM SALES LTD V PROPER FILM LTD AND

OTHERS Court of Appeal (Lord Justice Kerr, Lord Justice Dillon and Lord Justice Nicholls): May 25 1988

ADVANCES PAID in instalments under a void joint venture agree-ment can be recovered on the ground of total failure of considground of total failure of consideration if, though the payer received some incidental benefit, it was not the benefit for which he bargained. And where the payees have successfully relied on the contract's invalidity when resisting a claim for its continuous they comput they seek to ance, they cannot then seek to impose a ceiling on any quantum meruit due to the payer, to reflect his alleged breach of the

The Court of Appeal so held when allowing an appeal by Films Rover International Ltd and others from Mr Justice Hard man's decision to reject their claim for the return of advance royalties paid to Cannon Film Sales Ltd (formerly Thorn EMI Film Distributors Ltd), and for a quantum meruit to cover costs incurred under a purported con-

ract with Thorn.

An appeal by Proper Film Ltd from the judge's decision on a counter-claim, that it was liable to pay Cannon \$900,000 under a different contract, was also allowed, on the ground that the money claimed was an instalment payable in advance of any consideration, and performance was not yet due. LORD JUSTICE KERR said that

Joint venture advance to be repaid

property, and Monitor would arrange for dubbing, artwork and distribution to Italian chemas.

The gross receipts from release of the films were to be split. Substantial advances were to be prepaid to Thorn by instalments on account of its ultimate share of

the gross receipts.
Since that would have involved complications with Italian mone-tary or fiscal regulations it was

"front" for Monitor. That was to be Rover, incorporated in the Channel Islands.

An agreement was concluded between Thorn and Rover, in the knowledge that performance of the distributor's obligations would in practice fall on Monitor. The document constituting the purported agreement was dated December 5 1985.

Its terms provided considerable security and possibly a substan-

Its terms provided considerable security and possibly a substantial profit for Rover. It was expected that Rover would recoup the distribution expenses and advance in full, and be left with a 30 to 35 per cent share of the gross receipts. Recovery of its advance was guaranteed.

But clauses 16 and 17 entitled Thorn to terminate the agree-Thorn to terminate the agreement and to resume possession of

all prints and materials supplied

By the end of June it had become clear that Cannon was become clear that Cannon was determined to use any means to bring about re-negotiation or termination of the agreement. It made many unfounded allegations against Rover. A good deal of the correspondence could only be described as chicanery.

When Rover stood its ground its ground in the discrete of the contract. The cannon were succession in the party claiming total failure of consideration had in fact received any part of the benefit bargained for.

Rover's possession of the films was merely incidental to performent had been purportedly concluded on behalf of Rover before was merely incidental to performent had been purportedly concluded on behalf of Rover before Rover stood its ground its gro

tary or fiscal regulations it was to envisaged that a non-liablan company would be interposed as a "front" for Monitor. That was to be Rover, incorporated in the Channel Islands.

An agreement was concluded between Thorn and Rover, in the between Thorn and Rover, in the between Thorn and Rover, in the latest and the strength of the

performance was resumed.

However, the parties fell out about the date when the film, Highlander, should be released. Mrs Karlin favoured October, but incurred, and work done.

On October 15 cannon agreement, and the escrow agreement under clauses 16 and 17, without July 1986, and 18 allegations that it Rover claimed repayment of installments on the

tribution in Italy of 17 films in which Thorn had the necessary rights. The brothers and Mrs Karlin were connected with Monitor, an Italian film distributor.

Under the joint venture Thorn would supply master prints of the films, which would remain its property, and Monitor would May 1, when Cannon took over bending them position to complain.

Thorn, and the process of requisitioning prints and dubbing them aware of the date of Rover's expressly deal with the latter. He incorporation, an escrow arrange incorporation, and the process of requisition to complain.

Mr Justice Harman rejected the former contention, and did not expressly deal with the latter. He incorporation, an escrow arrange incorporation, an escrow arrange incorporation, and did not expressly deal with the latter. He incorporation, an escrow arrange incorporation, and only incorporation are specified in the former contention, and did not expressly deal with the latter. He incorporation, an escrow arrange incorporation, and of the date of Rover's expressly deal with the latter. He incorporation, an escrow arrange incorporation, an escrow arrange incorporation, an escrow arrange incorporation, and the consideration had not failed, in that Rover had had several films, including Highlander, and incorporation are supplied to complete the former contention and did not expressive deal with the latter. He incorporation, an escrow arrange incorporation, an escrow arrange incorporation, an escrow arrange incorporation are supplied in the consideration had not failed in that Rover had been entered into as failed, in that Rover had distributed them in the consideration proceeded normally until about into a joint solicitors account to the payment no doubt of substantial may 1, when Cannon took over Thorn and management of the if Rover was successful, all substantian instalments of advance paid from the payment no doubt of substantial payment no doubt

There was no appeal from Mandatory injunctions to continue to perform the agreement pending trial were granted, and performance was recommended. its claim for repayment of instal-ments of the advance. The second concerned its claim for quantum meruit for distribution expenses

Mrs Karlin favoured October, but Cannon insisted on the pre-Christmas season. Cannon had the right of decision. That was disregarded by Mrs Karlin and Highlander was released on October 13. Cannon once on October 14. Cannon once on October 15. Cannon once on Octob

was not yet que.

All prints and materials supplied to its allegators that it on the occurrence of a number of during 1986 a Mr Luigi de Rossi, his brother, and his assistant Mrs Karlin, held discussions with Thorn about the dubbing and dis
All prints and materials supplied to its allegators that it was non-existent or had been previously terminated. It supplied no ground that they were paid for a ob initio and since the films consideration which had wholly remained the property of Thorn/falled, and/or were paid under the agreement, and Rover falled, and/or were paid under the installed tents on the films consideration which had wholly remained the property of Thorn/falled, and/or were paid under the agreement was void the first under the agreement, and Rover falled, and/or were paid under the property of Thorn/falled, and/or were paid under the installed tents on the films consideration which had wholly remained the property of Thorn/falled, and/or were paid under the installed tents on the films consideration which had wholly remained the property of Thorn/falled, and/or were paid under the agreement and Rover falled, and/or were paid for a consideration which had wholly remained the five installed tents on the films consideration which had wholly remained the five installments on the films consideration which had wholly remained the films that the films consideration which had wholly remained the films consideration w

was irresistible, and should relate to services rendered by Rover and by Monitor, its agent. Cannon contended that the

tion, and relied upon.
When Cannon first invoked the

tor to dub and release them.

Delivery and possession were not what Rover had bargained for.

The relevant bargain was the The relevant bargain was the opportunity to earn a substantial share of gross receipts, with the certainty of at least breaking even by recouping the advance. Due to invalidity of the agreement Rover got nothing of what it had bargained for, and there was clearly a total failure of consideration.

Rover's claim for repayment of

the five instalments of advance

of assessing an appropriate quan-tum meruit.

The appeal was allowed.
Lord Justice Dillon gave a con-curring judgment. Lord Justice and the escrow agreement in Karlin had believed there was a binding contract between Rover and Thorn.

sible deduction for distribution expenses or payment of the Rover's claim for quantum meruit

quantum meruit should be sub-ject to a "celling", which would take account of Rover's breach of contract and Cannon's consequent right.

That would not be correct. First, it was not simply a case of a contract which was void ab intio without either party's knowledge and then broken by Rover. It was a case where the invalidity was discovered by Corpora and was discovered by Cannon, no doubt with considerable satisfac-

invalidity, there had been no breach on Rover's side, merely preach on hover's side, merely unfounded allegations of breaches and other unattractive conduct by Cannon. In those circumstances it did not appear unjust that Cannon could not have the best of both worlds—reliance on the invalidity of the contract of higher as well as work. contract ab initio as well as upon a subsequent breach by Rover. Cannon must accept the pri-mary basis on which it had suc-ceeded, which was invalidity, and

could not also rely on Rover's breach of the non-existent con-tract. It followed that an account was to be taken for the purpose of assessing an appropriate quan-

Nicholls agreed.
For Cannon: Alan Pardoe QC and
Ralph Wynne-Griffiths (Jeffrey
Green & Russell)
For Rover: Roderick Cardara
(Barlow Lyde & Gilbert)

Rachel Davies

Boots £267.2m meets estimates

PRE-TAX profits of Boots, retail chemist and pharmaceutical group, for the year to and-March came out in line with City expec-tations at £267.2m against 242.8m last time.

But taking out an extra quar-ter's contribution of \$10.2m from ter's contribution of £10.2m from overseas operations, where the year-end has been changed, and a £21.3m property profit, the profit figure worked out just 6.5 per cent higher at £356.3m on turnover up 14 per cent at £3.630m (£2.58m).

Courseport translation losses

(\$2.55m).

Currency translation losses within the industrial division, where there was a first full year's contribution from the former US Fint Laboratories businesses, took 25m of the profits figure.

Earnings per share rose 4.6 per Robert Gunn - chakman of Boots.

cent to 20.4 The retail division achieved profits growth, excluding property sales, of only 2.7 per cent to \$126.7m on turnover of \$2.21bm

There is a proposed final dividend of 5.7p, making 8.8p for the year, a 10 per cent increase.



Until Boots can transform its

profits growth, excluding property sales, of only 2.7 per cent to \$126.7m on turnover of \$2.21bm (\$2.01bm).

UK results were depressed by a poor Christmas period, especially in sales of andio-visual equipment, and by continuing start-up costs of the Children's World children's lifestyle shops.

Losses in overseas retailing companies increased. This increased that the company's refusal to split its results up into their companies increased. This ing between the industrial and retail sides) may mask a range of French chain of beauty stores, which were "now approaching viability", and a poor performance by the Canadian drugs it was selling the loss-making part in April.

The industrial division, "Intil Boots can transform its professations of a more dynamic in management style into a visible improvement in profits, the marter was precisely what happened yesterday. The company's refusal to split its results up into their component parts (beyond distinguishing between the industrial and retail sides) may mask a range of good points, but what was clear was that the overall retailing that industrial profits were cent, while it is a fair conjecture that industrial profits were lower, stripping out First. However, the retail side should put in a better performance this year, or the profits were contracted by the contraction of a more dynamic management style into a visible improvement in profits, the marter was precisely what happened year company's refusal to split its results up into their component parts (beyond distinguishing between the industrial and retail sides and profits was clear was clear was that the overall retailing the profits were lower, stripping out First. However, the retail side should put in a better performance this year. part in April.

The industrial division, over-the-counter health products and drugs, performed strongly with profits rising to £101.8m (£24.5m) on turnover of £519.2m (£467.3m), both on an annualised basis.

The US was the main contributor; in the UK sales growth of 11 per cent mainly came from Crookes Healthcare.

There is a proposed final division, a better performance this year, a better performance this year, a very fine retail side should put in a better performance this year. Six of the candian outlets and improvements in management information systems being put in place. Handlar in properties and turning the gaunties of the clinical trial period. Profits, clean of about £26m from property, may be between £250m this year.

prospective p/e of more than 10, are at least underpinned by the fairly generous dividend.

Hunter Saphir accelerates and further growth ahead

and he expected exciting growth year. over the next few years. In Turnover for 1987/88 showed an December the group moved from 80 per cent improvement to the USM to a full Stock Exchange £163.67m (£93.02m). Operating

isting.

The total dividend for the year following interest took is lifted from 3.3p to 4.05pwith a more at \$1.62m (\$256,000).

proposed 2.7p (2.25p) final. Earnings worked through at \$1.33p (£982,000) and there was an (9.5p) basic, and 10.7p (9.43p) fully extraordinary \$280,000 (£383,000) diluted.

The chairman said it was too and costs of the listing.

DESPITE DIFFICULTIES in its fruit importing business. Hunter results but the balance of earn-saphir achieved an 82 per cent ings had shifted towards the secincrease in pre-tax profits from ond half of the year. The current-s2.75m to £5.01m in the year to problems in the fruit division would be overcome, he said, by The year had been one of the relocation of its operation excellent progress" throughout alongside the warehousing and the group, said Mr Nicholas production facility. That would saphir, chairman. The strategic developments of both of its activities food manufacturing and distinct the part would have a dampenities, food manufacturing and disgins, but would have a dampen-tribution, had been successful ing effect on the first half of the

The chairman said it was too and costs of the listing.

Recovery at Sidlaw

A SUSTAINED improvement in time. Turnover expanded from all services and a strong perfor. £27.52m to £31.16m, while the

mance by the textiles operation lower interest charge, down to enabled Sidlaw Group to report a £397,000 (£547,000), reflected a sharp recovery in profits at the midway stage.

In the six months to April 1, through at 7.68p (2.44p). The pre-tax profits rose to £2.59m interim dividend is lifted to 2.75p against a depressed £744,000 last (2p).

Carr's ahead midway

The directors said the animal full year,

Carr's Milling Industries did the flour milling side which reported taxable profits of responded well following a poor £990,000 for the six months to harvest last summer. However, February 27, up from £904,000 last chicken processing and egg laytime, on sales just 2 per cent ing operations continued to be affected by low prices which would affect the cuteurs for the would affect the outcome for the

feed manufacturing business and agricultural merchants made a tained at 1.75p, from earnings of good contribution to profits, as 10.8p (13.1p) per share.

Learmonth improves 31% to £1.91m

Learmonth & Burchett Manage-ment Systems, computer systems consultant, reported pre-tax prof-its of £1.91m for the year ended April 30 1988, a 31 per cent increase on last year's £1.46m.

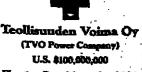
Turnover was up 42 per cent to £10.76m from £7.56m and a final dividend of 1.2p has been recomishanced, making a total of 1.7p for its first year since its flotation on the USM in June 1987.

Earnings per 10p share rose to 10.3p from 7.5p last year, an increase of 35 per cent. Product ped up to £1.1m and was been written off fully against profits. Revenues from UK consultancy increased by more than 40 per cent, mainly from major blue-chip clients in the commer-cial and financial sectors. The training division achieved a 30 per cent growth in revenues and US sales rose 27 per cent in dollar

Mr Rainer Burchett, chairman, said he had great confidence in the company's ability to maintain

Dauphin Intl

Dauphin International, an office seating company, has announced details of plans to join the main market. BZW is placing 5.5m shares, 25.6 per cent of the equity, at 105p each, giving the group a market capitalisation of 122.6m.



Floating Rate Notes due 2004 Notice is hereby given that the Rate of Interest for the final Interest Sub-period of the interest Period ending on 11th

July. 1988 has been foxed at 711/6% perannum. Coupon No. 17 will therefore be payable at U.S. \$190.50 per Coupon on 11th July, 1986.

TOR INVESTORS OF \$100,000 PLUS **IN FUTURES**

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Every time you have bought or sold, you have paid commission on the transaction.

The differences under this option are simple - but

That's the proven way of doing things. Like all brokers, we offer this method - and will continue to do so. But from now we are also offering an alternative.

likely to change the future of futures. Under our new system, all our charges for dealing will be virtually at cost, which will substantially reduce the charges for a typical commodity transaction. (In fact, for many people, it could

more than halve them!). But obviously we're not turning our brokerage into a

charity. So where will we make our money? Simply by sharing in your profits. If you fail to make money, so will we.

This will give us a direct incentive towards helping you to avoid losses, and maximise profits.

How will we do so?

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we're fully involved with them.

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UK COMPANY NEWS

Delivery delays prompt Westland fall to £13m

REDUCED SALES, delayed deliverage and the weakness of the dollar hit interim profits at Westhould be followed by an order than the helicopter company that sparked a political crisis in 1986. The taxable figure fell to customer support division, responsible for £1244m (£1378m) in the six months to March 31 1982 accepted \$24.25m in of cales declined from £15.2m to was unchanged at 1.25p per six months and the six months to t

2641.006 to £1.47m on turnover up 37 per cent from £35.34m to £48.55m.

The proposed final dividend of

1.5p makes a total of 2.5p (1.5p) for the year.

Mr Peter Quinn, chairman, said that despite the sharp

Camford rises 40%

Camford Engineering, metal pressings and forgings manufac-

turer, pushed pre-tax profits up 40 per cent in the six months ended March 31 1988 from £1.12m

to £1.57m. Turnover was ahead 51 per cent from £28.72m to £43.51m. Tax was £548,000 (£291,000) and

the payment of 1p.

Phoenix Timber profits

rise sharply to £1.47m

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that sparked a political crisis in 1986. The taxable figure fell to £13.1m in the six months to March 31 1988, against £24.8m in the comparable period before a £7.8m.

£16m exceptional provision. The results disappointed most collective and the half year was a delay on the main disappointment of the half year was a delay on the half year was a delay on the static dividend provoked. The delay was largely responsible for most part, a mood of gloom about the company. Westland is now experiencing its long expecting and pressure on margins due to recovery, which, he maintained would take at least five years of £0.5m was made on turnover of sification, singularly failed to

ment and financial controls and

increased emphasis on sales and marketing activities.

However, prospects for the building industry remained favourable and the group had a sound basis for a satisfactory

Colvoy, residential housebuilder,

has announced details of its flota-

tion on the main market. Bar-clays de Zoete Wedd is placing. 2.15m shares, 24.5 per cent of the

enlarged equity, at 150p each, for a market capitalisation of £13m. Pre-tax profits of not less than

mder 7 at the placing price.

Colroy flotation

result this year.

earnings 5.37p (4.37p). The company has decided to restore dividends at the interim stage with the on a prospective p/e of just

yet half-way towards its full recovery, which, he maintained would take at least five years from the completion of its major financial and organisational recontruction.

Sir John said there had been a number of very encouraging developments. These included the award of a definition contract to E.H Industries, half owned by Westland, for the new shiphorne successful and successful for the Canadian navy.

The UK Ministry of Defence had pears and pressure on margins due to the weakness of the dollar. A loss seemed a promising area of diversestication, singularly failed to perform this year. That said, the prospect of an order for 16 Lynx helicopters brightens up the picture and could mean a modest profit recovery comes sooner developments. These included weakness of the dollar and order for 16 Lynx helicopters brightens up the prospect of an order for 16 Lynx

James Finlay profits fall to £3.12m

Phoenix Timber Group, timber improvement margins were not importer, merchant and processor, achieved a sharp rise in professor, achieved a sharp rise in professor. Further improvements its in the year to March 31 1988. Were being sought through continued refinement of manage-James Finlay, Glasgow based international trader and financier with tea and oil interests reported disappointing pre-tax profits at £3.12m for 1987 com-pared with £4.76m in 1986. Turnover was £20m lower at £156m.

A final dividend of 2.15p has been recommended making 4.15 in total for 1987, the same as for the last three years.

The plantation operations man aged only £1.07m pre-tax profit compared with £7.03m, but energy related interests improved to a £370,000 profit against a £4.5m loss. Servicing loss on energy interests was £4.4m.

There was an exchange loss of 2639,000 (£239,000 loss) and £1.69m loss attributed to the holding company (£1.42m profit). Tax paid £1.21m (£4.09m). Net earn-ings per share improved from

Acquisitive Leigh rises 67% to over £4m

increased volumes throughout its operational regions resulted in a 67 per cent increase in pre-tax profits to £4.12m for Leigh Interests.

24.12m for Leigh Interests, specialist waste collection and treatment company, for the year to March 31 1988.

Total turnover for the 12 months was just ahead at 242.33m (242.25m), while turnover of its continuing activities. ties rose by 24 per cent to £41.45m (£33.82m).

An increased final dividend of 3.82p (2.75p) is recom-mended for a total of 5.65p (4.15p). Earnings per 5p share improved from 8.4p to 12.8p. Mr Bill Pybus, chairman, said performance had not been significantly affected by the group's recent acquisitions as most had been made towards the end of the financial year. The company spent 25.9m on acquisitions during the period.

Looking ahead, he said the group was well placed to continue its profitable progress and was on course for another very good year. Sales and prof-its for the first two months of the current year were ahead of

He said Leigh intended to continue growth both organically and by acquisition and, in the medium-term through the implementation of legislation which strengthened the mandate for safe waste dis-

Interest charges fell to £1.03m (£1.53m). Tax took £1.53m (£888,000), and there was an extraordinary £188,000 (£63,000) credit.

Greenwich Resources

Greenwich Resources, the mineral exploration and production group which owns the Gebeit gold mine in Sudan as well as other exploration interests in Egypt and Venezuela, lifted pre-tax profits by 32 per cent from £482,900 to £636,000 in the six months to end-

Operating income rose to £611,000 (£78,000), while administration expenses increased to £194,000 (£118,000). There was again no tax charge and earnings per share rose to 2.3p (2.1p).

1 successful first year

CURRENT	COSTINE	ORMATION HISTORICAL	COSTINE	DRMATIO
Year to 31 March 1988	Year to 31 March 1987		Year to 31 March 1988	Year to 31 March 1987
£m	£m		£m	£m
523	439	Revenue	523	439
136	90	Profit before taxation	166	124
75	46	Profit after taxation	105	80
1,346	1,138*	Shareholders' funds	898	694*
7.25	_	Dividends (net) per share (p)	7.25	_
15.0	9.2*	Earnings per share (p)	21.0	16.0
63.7	55.3	Passengers (millions)	63.7	55.3

a from the consolidated accounts of BAA plc for the year ended 31 March 1988. An

✓ In the year to 31st March 1988 – BAA's first year in the private sector - traffic increased by 15% to a total of 63.7 million passengers at the seven BAA airports.

◆ Pre-tax profits reflect the growth in traffic, with CCA profit up by 51% to £136 million and HCA profit up by 34% to £166 million.

✓ Capital expenditure rose by 19% to £182 million. Major projects include the completion of the first phase of Gatwick's North Terminal which opened in March; the refurbishment of Terminal 3 at Heathrow and the development of Stansted's new terminal complex.

◀ The substantial increase in shareholders' funds during the year reflects the revaluation of certain properties upon their reclassification as investment properties.

✓ In the future the strength of the core airport business will remain the major factor in pro-

moting growth. Plans for expansion are based both on the existing business and on new opportunities being sought in property, hotels, the air transport industry and international operations. The recent offer for Lynton Property & Reversionary PLC supports BAA's policy to expand its property activities including the development of its own land.

▼ The Board recommends the payment of a final dividend of 4.25p (net) per share, making a total for the year of 7.25p (net).

✓ As foreseen, following last year's abnormally high growth rate the indications are that in 1988/9 business is returning to a more normal level of growth.

The world's leading international airport group.

Heathrow ← Gatwick ← Stansted ← Glasgow ← Edinburgh ← Prestwick ← Aberdeen

This advertisement has been approved for the purposes of the Financial Services Act by a person authorised by the Institute of Chartered Accountants in England and Wales. BAA pic is required by the rules of the Securities and Investments Board to indicate that past performance is not necessarily an indication of future performance.

66Lonrho's profit attributable to shareholders has increased by 31%99

RW Rowland, Chief Executive

Jean slavelalder

Lonrho presents its interim figures for 1987/88 with another record profit before tax of over £80 million. Profit attributable to shareholders has increased by 31% compared with last year and earnings per share have risen by 17%. A substantial improvement in taxation and structural efficiency has enhanced this performance.

The second interim dividend has effectively been increased by 17% as a maintained dividend of 4.0 pence per share has been declared on an increased share capital following the 1 for 6 capitalisation issue.

The performance of the Group's United Kingdom companies has been strong with particularly good contributions being made by the hotel, motor distribution and printing and publishing activities.

Overseas, the Princess Hotel Group, which has recently acquired the Marquis Hotel, a deluxe award winning hotel in Palm Springs, has reported an increase in sterling profits for the first half year compared with 1987.

The substantial expansion of the Group's gold and platinum mining activities continues with current annual output in excess of 800,000 ounces of gold and platinum group metals. The Group is thus in a good position to benefit from the prevailing enhanced prices in gold and platinum. The mining programme for the future is on target to achieve well in excess of one million ounces production of .

The Group balance sheet remains strong with cash balances and unused facilities of over £1,000 million.

We expect that trading for the full year will certainly exceed that of last year. Following the interest expressed on the subject at the last Annual General Meeting, the Directors intend next year to offer shareholders the option to take shares in lieu of cash in respect of dividends. This proposal will be subject to the approval of shareholders at the next Annual General Meeting.

9 June 1988

The unaudited results of the Lonrho Group of companies

in respect of the six month	s ended 31 March 1988	are as follows:—
_	6 months to 31 March 1988	6 months to 31 March 1987
	£m	£m
Turnover	1,430.8	1,370.2
Profit before tax	80.4	76.1
Tax	30.2	35.2
	50,2	40.9
Minority interests	2.8	4.8
Profit attributable to shareholders		
before extraordinary items	47.4	36.1
Earnings per share	10.8p	9.2p

The Group's share of the turnover of associates was £283.8m (1987–£272.4m) and is excluded from the

 Profit before tax includes profits from associates of £18.4m (1987–£17.2m). Tax charge: because of the incidence of accelerated tax allowances, the tax charge provided at the half

year can only be estimated. 4. Earnings per share have been adjusted for the capitalisation issue on 22 April 1988. 5. Extraordinary profits-£0.5m (1987-charges £4.0m).

The Board has declared a second interim dividend of 4.00p (1987-4.00p) per share for payment on 3 October 1988 to shareholders on the Register at 2 September 1988. This dividend is in addition to the first interim dividend of 1.00p (1987-1.00p) per share declared on 28 January 1988 and paid on 6 April 1988. The cost of the first and second interim dividends amounts to £21.5m (1987-£18.0m).

LONRHO PIc, CHEAPSIDE HOUSE, 138 CHEAPSIDE, LONDON ECZV 6BL

MANUFACTURERS HANOVER

Manufacturers Hanover Trust Company Acquisition Finance Division

£19,000,000

for the acquisition of

UK Shoe Group Limited

Management

Funds advised by Schroder Ventures

Senior debt provided by

Manufacturers Hanover Trust Company

as Agent

The Toronto-Dominion Bank Banque Française du Commerce Extérieur

MHT is a member of The Securities Association

The Investment Banking Group

Divided Opec faced with another uphill struggle

SELDOM has the Organisation of Petroleum Exporting Countries been so divided. The ministerial conference starting in Vienna tomorrow will face an uphill struggle to make any more prog-ress than the last one, five weeks ago, towards a coherent accord on a collective production level and individual quotas calculated to raise prices to the avowed common objective of around \$18 per barrel set as long ago as

December 1986.
The 13 oil ministers met somewhat reluctantly in late April because members – even Saudi Arabia, which was on record as opposing any gathering - could hardly ignore an unprecedented led by Mexico to cut their output by 5 per cent if Opec did the

In the event they could not agree on any counter-proposal, let alone an offer which might encourage and develop future non-Opec collaboration - a key policy aim adopted two-and-a-half years ago. Indeed, the six non-

Since then there have been contacts with the six but they have received nothing that could be remotely be considered an answer to their offer, one Mexi-Essentially they are between the four conservative Arab prod-

can official has pointed out. Opec production of crude oil, ular the two heavyweights, Saudi meanwhile, has climbed from an average of about 17.5m barrels a Resolving them will now be day in the first quarter to about harder than ever as a result of 18.6m b/d. The current pact is the continuation of the Gulf consupposed to limit output of 12 of flict between Iran and Iraq. the members to 15.06m b/d. Iraq, which excluded itself from the





Hisham Nazer and Gholamreza Aghazadeh, Oil Ministers of Saudi Arabia and Iran - The two camps are still wide apart

tions. These now will dominate bid while the majority calculate this conference at the expense of 17.6m bid, a very wide gap of collaboration with non-members. 1.3m bid.

Logically, that makes sense

non-Opec collaboration - a key policy aim adopted two-and-a-half years ago. Indeed, the six non-members could only regard the conservative Arab producers of the Gulf on harrel-for-barrel cuts as nig-For the time being, however, differences seem to be insuperathere are grave doubts whether Kuwait and, to a lesser extent, Saudi Arabia actually wanted a

> The whole debate will be com ucing states of the Gulf, in partic-plicated and bedevilled by the latest contentious issue to emerge within Opec. That is over the definition of what actually constitutes crude oil.

Venezuela's practice of classifying crude over 40.2 degrees API which excluded itself from the pact, has a maximum potential of about 2.7m b/d. That implies an excess of about 1m b/d.

Predictably the last meeting was overshadowed by other disputes — notably over quota violation.

The two camps are still wide gravity as condensate — reserving as which liquefies at the demand for Opec crude for the surface — has incensed Sheikh second half of 1988. Experts of Ali Khalifa al Sahah, the Kuwaiti the minority of four have forecast a requirement — assuming neutral stock movements — of 18.9m b/d to overall Opec supply.

LME calls squeeze meeting

CLEARING MEMBERS of ondon Metal Exchange have been called to a special meeting today where it is widely believed ome will be taken to task about squeezing already-tight metal supplies by withholding material

from the market.
Strong demand and low stocks have made most of the metals traded on the LME vulnerable to squeezes which increase price

olatility.
In February the LME called an extraordinary meeting to prevent crisis in the nickel contract, suspended the first of the afternoon's trading sessions and urged member-companies to lend to the market, that is to sell cash metal and buy forward. More recently it has given

warnings that it was monitoring the copper and aluminium

contracts very closely.

The recent squeeze on the aluminium market is known to have been causing the LME Board concern. Yesterday the authoritative Metal Bulletin said: "Major market-players are undoubtedly working the squeeze to their own advantage if not actually perpetuating it." The magazine previously

suggested LME representatives were told privately, after a recent meeting of the International Wrought Copper Council, that one company which was withholding material from the market was "treading a very thin line between technical squeeze and deliberate manipulation."

The IWCC represents producers and consumers of the ME's most heavily traded metal. Mr Michael Brown, LME chief executive, said last night that today's meeting was private. He refused to say what it was about.

Court freezes Tin Council assets

DETAILS OF some assets of the October 1985. International Tin Council have been revealed for the first time in the High Court, London, The council collapsed into insolvency in October 1985 with debts totalling about £900m.

The council's administration account contains about £114,000 liquid assets, £21,000 owed by debtors and about £20,000 of furniture, equipment and motor

Also, some ITC member-states owe the account £305,808 in contributions for this financial

Details of the council's tintrading buffer-stock account were not disclosed, except that the account is owed £240,000 under a loan made to the administration account in 1980 to acquire the council's London premises. No repayment instalments of the loan have been made since

when the council applied to Maclaine Watson demanded, successfully for a temporary that not a penny in that account order. This was to stop Maclaine should, pending the outcome of Watson, a London Metal the immunity application, be Exchange trader and form the spent on wages or salaries, the creditor, seeking to recover council's ordinary business or money from the administrative. money from the administration account pending hearing in the next few weeks of the council's claim that account is immune.

Maclaine Watson is to seek the appointment of a receiver of the council's assets the "nature, value and location" of which the council had been ordered to

council had been ordered to disclose.

Yesterday Mr Justice Millett said the council, which had placed every possible obstacle in the way of Maclaine Watson recovering the £5m, could have a temporary stay of execution of Maclaine Watson's judgment, but only on the most stringent terms.

Also the council must transfer liquid assets from the administration account to the buffer-stock account—in respect which no immunity claim is made—towards reducing the loan indebtedness.

If the council succepted those conditions it would not, until the immunity-claim outcome, have to give Maclaine Watson an

The figures were revealed would be frozen because justice

The judge said any part of the \$305,696 due from members and received from today could be used by the council but only for continue the council but only for ordinary business activities and

Also the council must transfer

The administration account affidavit detailing the bank accounts containing council assets, the judge said.

He said the council argued that if a stay were not granted it would be impossible for the council to use the administration account to pay day-to-day expenses or to faill its functions. such as colleting and distributing to members statistical information about tin production

and consumption.

The judge said: "I am bound to say that this plan does not excite much sympathy. The ITC is hopelessly insolvent. It has made hopelessly insolvent. It has made no attempt to pay any creditors.

"I see no reason whatever why it should carry to — still less why it should be assisted by the court to carry on — any business activity of any kind at the expense of its creditors."

He said that had the court had the court of the part o

Shearson challenges exchange's 'ring-out' rule

MILLIONS OF pounds due to be paid to two Shearson Lehman companies under tin contracts ceased to be payable when, following the International Tin Council's collapse, London Metal Exchange passed a rule fixing the price at which outstanding committee.

Overriding existing contract prices.

Shearson is claiming damages for alleged breach of duty and/or negligence against The Metal Market and Exchange Company, which runs the LME, and individual members of the LME committee.

would be released from their validity.

Mr Scott said LME had had no

Prices and delivery dates passing Rule M by the fact that would be changed and Rayner. Shearson had warned it would Maclaine Watson and others challenge the rule's legal

The hearing continues today.

• Solicitors for Amalgamated Exchange passed a rule fixing the price at which outstanding contracts were to be settled, the High Court was told yesterday.

The two companies are Shearson Lehman Brothers, a trading company owned by American Express, and its subsidiary. Shearson Lehman Metals, a ring-dealing member of the LME.

They are challenging the Validity of Rule M, which fixed a so-called ring-out price per tonne

The two companies are Shearson Lehman Brothers, a trading company owned by American Express, and its subsidiary. Shearson Lehman Metals, a ring-dealing member of the LME.

They are challenging the Validity of Rule M, which fixed a so-called ring-out price per tonne

The two companies are Challenging the Solicitors for Amalgamated power to make Rule M. Even if it had the power, the rule had been improperly passed because LME that the procedure.

The rule had been passed after the subsidiary no decision had used an invalid procedure.

The rule had been passed after the subsidiary of Drexel Burnham Lambert, and £19.6m from J.H. Rayner (Mincing Lane), part of the S. & W. Berisford group, under tin contracts.

Mr Peter Scott, QC, for Shearson, told Mr Justice Webster that if Rule M were valid the effect would be to rewrite they should not be deterred from the LME.

They are challenging the validity of Rule M, which fixed a so-called ring-out price per tonne the effect would be to rewrite they should not be deterred from the LME committee.

Mr Scott said LME had had no because LME that the owner, the rule had been improperly passed because LME that the prover, the rule had been and £1.3m crediting and £1.3m creditors of the LTC.

The two company owned by form J.H. Rayner (Mincing Lane), part of the S. & W. Berisford group, under tin contracts.

Mr Peter Scott, QC, for Shearson that it would not accept any such that it would not accept any such the striking-out of the stream of the stream of the stream from the stream of the stream from the stream from

John Elliott looks at crop prospects following last year's damaging drought

India gambles on a good monsoon

BY BRIDGET BLOOM. AGRICULTURE CORRESPONDENT

UK set-aside plans delayed

THE British Government's plans to publish details of a scheme to publish details of a scheme to publish details of a scheme to remove land from agricultural production have been delayed.

Mr John MacGregor, Minister of Agriculture, had hoped to amnounce the so-called set-aside plans, part of a European Community-wide scheme, this February, must produce set-aside Community-wide scheme, this February, must produce set-aside requirement at the EC summit last February, must produce set-aside requirement of set aside last of the US Department of local and some across southern below the level the Government and central India, boosting hopes regards as ideal.

Agriculture officials said in Agriculture denied Mr Richard Lyng, US Agriculture Secretary.

Lyng, US Agriculture Secretary and central India is preparing for this year's crops, the US wheat set-aside to order more grain imports to of butter oil are also being imported by the National Dairy satisfactorily in the past week in Development at the EC summit last requirement of India is preparing powder and another 30,000 tonnes of milk progressed to order more grain imports to of butter oil are also being imported by the National Dairy satisfactorily in the past week in the European summit last requirement of India is preparing powder and another 30,000 tonnes of butter oil are also being imported by the National Dairy satisfactorily in the past week in the European summit last requirement of India is propared to order more grain imports to of butter oil are also being imported by the National Dairy satisfactorily in the past week in the European summit last requirement of India is propared to order more grain imports to order more grain imports to order more grain Community-wide scheme, this

difficulty in finding parliamentary time for him to make the announcement mean the scheme may not be made public before the month's end. He failed to obtain the British scheme which he had sought from the European

February, must produce set-aside week. plans by July 14, although However, a last minute hitch in farmers will be free to choose Brussels and an apparent difficulty in figure 12.

compensation of £70 to £420 a hectare provided farmers idle at for a three-to-five-year period.

Set-aside is the latest device being adopted by the EC to curb sought from the European expensive surpluses of cereal and Commission. Ministry of other arable crops.

Departmental officials said Mr Lyng had legal authority until July 31 to review this decision. However, only if there were a drastic change would such action be considered, for example involving a serious extension of current drought conditions.

Close

inn. 99.7% novity (\$ per tonne)

AS ANNUAL monsoon rains about 3.5m tonnes to 4.5m tonnes "overall rainfall is definitely 152m tonnes.

would be 10 per cent instead of proud record of self-sufficiency in supplement milk procurement, would be to per cent instead of proin record of sea-similarity in the current 27.5 per cent. This food grains by ordering 1m which has grown by only 3 per move was criticised in the EC as it tonnes of wheat in the open cent in the past year, because of likely to lead to higher US wheat output and consequent instability in the next five months, and in world grain markets.

Description of the current years are produced with the drought, compared with about 20 per cent annually in recent years.

No over can be sure for another

WORLD COMMODITIES PRICES

Kerb close Open Interest

Ring turnover 6,700 tonne

Thailand Now it is planning extra few weeks at least, about the imports of about 2m tonnes of course and strength of the crucial wheat and 25,000 tonnes of rice in south-west monsoon as it moves the next few months.

AM Official

No one can be sure, for another northwards across the country. However, with stocks severely However, the Government's depleted, these imports will still Department of Science and leave the country's grain cover Technology has predicted that

US MARKETS

The total includes an expected 18m tonnes, compared with the 47m tonnes of wheat, although 21.5m tonnes, which the 47m tonnes to that the monsoon should back by farmers who are totalling 166m tonnes in the coming year compared with an expected 137m tonnes to 139m onnes in the past who are the past who are the coming year compared with an expected 137m tonnes to 139m onnes in the past who are the coming year compared with an expected 137m tonnes to 139m onnes in the past who are the coming year compared with an expected 137m tonnes to 139m onnes in the past who are the coming year compared with an expected 137m tonnes to 139m onnes in the past who are the coming year compared with an expected 137m tonnes to 139m onnes in the past who are the coming year compared with an expected 137m tonnes to 139m onnes in the past who are the coming year compared with an expected 137m tonnes to 139m onnes in the past who are the coming year compared with an expected 137m tonnes to 139m onnes in the past who are the coming year compared with an expected 137m tonnes to 139m onnes in the past who are the coming year compared with an expected 137m tonnes to 139m onnes in the past who are the coming year compared with an expected 137m tonnes to 139m onnes in the past who are the coming year compared with the 47m tonnes are added, the comming the tonnes, compared with the 47m tonnes are added, the comming to 18m tonnes, compared with the 47m tonnes, compared with the 47m tonnes, compared with the 47m tonnes are added, the comming to 18m tonnes, compared with the 47m tonnes are added, the comming tonnes to 18m tonnes, compared with the 47m tonnes are added, the comming tonnes are expected 137m tonnes to 139m tonnes in the past year, against an initial target of 160m tonnes. in each of the previous three

The latest estimate for the past and Food in January, when it was clear there had been good rains for the second annual grain crop, called the rabi.

In spite of the recovery of the grain total, the country's buffer stocks are significantly depleted. The key date in the annual cycle

CRUDE Off. (Light) 42,000 US gails \$/barrel

about 28m tonnes and last year 28.1m tonnes. The figure on this year is broadly in line with July 1 is expected to be about forecasts which were being made 14m tonnes, excluding imports, by the Ministries of Agriculture having fallen to a low point of 8.5m toppes two months ago.

years of poor rainfall the total is July 1. On that date in 1985 the monsoon is poor, however, was between 145m tonnes and and 1986 there were stocks of heavy imports could be needed.

The state of the s

LONDON MARKETS

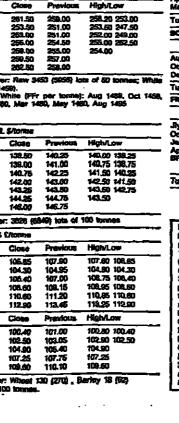
ALUMINIUM PRICES closed well up on the LME yesterday after touching reconhighs in earlier trading. Cash 99.7 per cent metal closed at \$3,925 a tonne, compared with the recent peak of \$3,960 recorded last Friday. The gains were made in active trade on short covering and fresh buying, which outwelghed so long liquidation, dealers said. Routine profit-taking pulled prices down in the afternoon. Zinc prices also touched record dollar highs during the day as other big producers followed Cominco's decision to raise European producer Constructive charts and fundamentals and although the afternoon closing prices were little changed on Wednesday's, the upward trend resumed in kerb trading.

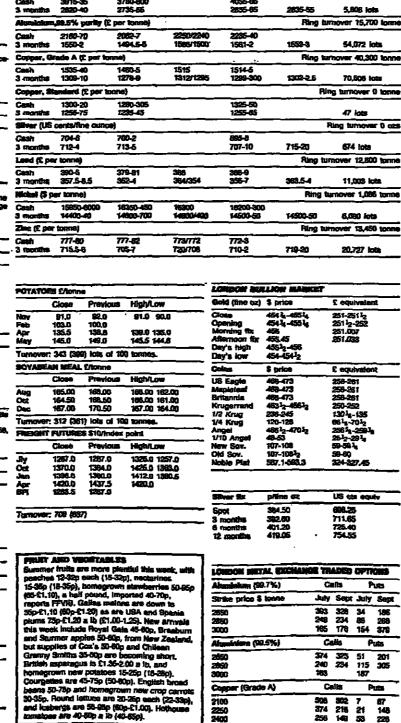
Meanwhile Coloa price downwards on currence estimates of a record in 540,000 tonnes.	Turnover: 1886 (3038) lots of 5 to ICO Indicator prices (US cents pt 9: Comp. delly 1979 121.99 (122.5) 118.01 (117.70).					
SPOT MARKETS		<u></u> -	SHOAR	\$ per tons	100	_
Crede of (per berrel FOB)		+ 01 -	Rev	Close	Previous	<u> </u>
Dubel	\$14.44_4.48u	+0.06	Aug	227.00	224.20	2
Brent Blend	\$16.35-6.40u \$17.30-7.33u		Oct	223.60 224.40	219.49 222.80	2
W.T.L(1 pm set)			Dec Mar	222.40	217.80	2
Oil products (NWE prompt d	elivery per to:		May	222.20	217.60	_
		+ or -	Aug	122.60	216.00	
Premium Gesolino	5194-186	-1	Qct	222 BO	215.00	
Gas Oil (Soviet)	5138-140	-				
Heavy Fuel Oil	\$74-75 \$159-161	-1	White	Clase	Previous	н
Naphiha Patroleum Argus Estimates	\$100-101		Aug	261.50	259.00	25
			Oct	253.50	251.00	ž
Other		+ or -	Dec	253.00	251.00	25
Gold (per troy oz)4	\$455.00	-3.25	Mar	255.00	254.50	2
	704c	-14		259.00	255.00	2
			May			
Silver (per troy oz) Plannum (per troy oz)	S574.75	-14.25	Aug	259.50	257.00	
Plehnum (per troy 02) Palledium (per troy 02)	\$574.75 \$126.0		Aug Oct	259.50 262.50	257.00 258.00	
Plebnum (per troy oz) Palledium (per troy oz) Abaminium (free merket) Copper (US Producer) Lead (US Producer) Makel (tree market) Tin (European free market)	\$574.75 \$128.0 \$3745 1155-118c 35.0c 710c £3910	-14.25	Aug Oct 7umove 1769 (14 Paris- V	259.50 252.50 r: Raw 34 58). Vhite (FFr	257.00	Au
	\$574.75 \$128.0 \$3745 1155-118c 35.0c 710c £3910	-14.25 -2.0	Aug Oct Turnove 1769 (14 Paris- V Dec 148	259.50 262.50 r: Raw 34 56). Vhite (FFr 0, Mar 14	257,00 258,00 53 (5956) lo per tonne):	Au
Plebnum (per troy 02) Palledium (per troy 02) Abminium (free merket) Copper (US Producer) Lead (US Producer) Tin (European free market) Tin (European free market) Tin (Nuale Lumpur market) Tin (Nua York) Zinc (Euro. Prod. Price)	\$574.75 \$128.0 \$3745 115%-118c 35.0c 710c £3910 18.2ir 531.5c \$1157.5	-14.25 -2.0	Aug Oct 7umove 1769 (14 Paris- V	259.50 262.50 r: Raw 34 56). Vhite (FFr O, Mar 14 \$/tortee	257.00 258.00 53 (5956) ke per tombe): 50, May 148	A. O, A
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Plebnum (per troy 02) Palledium (per troy 02) Abminium (free merket) Copper (US Producer) Lead (US Producer) Tin (European free market) Tin (European free market) Tin (Nuale Lumpur market) Tin (Nua York) Zinc (Euro. Prod. Price)	\$574.75 \$128.0 \$3745 115%-118c 35.0c 710c £3910 18.2ir 531.5c \$1157.5	-14.25 -2.0	Oct Tymove 1769 (14 Paris- V Dec 148	259.50 262.50 r: Raw 34 56). Vhite (FFr 0, Mar 14 \$/torthe Close 138.50	257.00 258.00 53 (5256) kg per tonne); 50, May 146 Previous	AL AL
Plebnum (per troy 02) Palledium (per troy 02) Abminium (free merket) Copper (US Producer) Lead (US Producer) Tin (European free market) Tin (European free market) Tin (Nuals Lumpur market) Tin (Nua York) Zinc (Euro, Prod, Price) Zinc (US Prime Western)	\$574.75 \$128.0 \$3745 115½-118c 35.0c 710c £3910 18.21r 391.5c \$1157.5 62.125c	-14.25 -2.0 -20 +2.03" +0.68"	Aug Oct Turnove 1769 (14 Paris- V Dec 148 GAS OR Jul Aug	259.50 262.50 er Raw 34 59). White (FFr O, Mar 14 S/tonne Close 138.50 138.50	257.00 258.00 258.00 53 (5956) ke per tonne): 80, May 146 Previous 140.25 141.00	HE 14
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Plebrum (per troy oz) Patiadium (per troy oz) Atominium (free market) Copper (US Producer) Lead (US Producer) Rikelei (tree market) Tin (European free market) Tin (Ruste Lumpur market) Tin (Nate Vork) Zinc (Euro, Prod, Price) Zinc (US Prime Western) Cattle (live weight)† Sneep (dead weight)†	\$574.75 \$128.0 \$3745 \$3745 \$1552-118c \$5.0c 710c \$3910 \$18.21r \$31.5c \$1157.5 \$21.25c \$118.10p \$231.79p	-14.25 -2.0 -20 +2.03" +0.68"	Aug Oct Turnove 1768 (14 Paris- V Dec 148 GAS OR Jul Aug Sep Oct	259.50 262.50 or. Raw 34 590. White (FFr 0, Mer 14 5/torine Close 138.50 139.90 140.75 142.00	257.00 258.00 258.00 53 (5956) ke per tonte); 50, May 146 Previous 140.25 141.00 142.25 143.00	HE 14
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Pleinum (per troy dz) Paliadium (per troy dz) Abamlajum (free markel) Copper (US Producer) Lead (US Producer) Tin (European free markel) Tin (European free markel) Tin (New York) Zinc (Berno-Prod. Price) Zinc (US Prime Western) Cattle (live weight)† Sneep (dead weight)† London daily sugar (raw) London daily sugar (white) Tate and Lyfe export price Barley (English feed) Matze (US No. 3 yallow) Meate (US Dark Northern)	\$574.75 \$178.0 \$3745 \$11572-118c \$35.0c 7710c \$3910 \$18.21r \$31.5c \$1197.5 \$21.70p 72.73.0 \$231.70p 72.73.0 \$233.4y \$261.0y \$261.0y \$27.5 \$1197.5 \$1197.5 \$1197.5 \$1197.5 \$1197.5	-20 -20 -20 -20 -20 -20 -20 -20 -20 -20	Aug Oct 7ymove 1769 (14 Paris- V Dec 148 CAS OR Aug Sep Oct Nov Dec dar Turnove	299-50 275-50 27	257.00 258.00 53 (5056) los per tosmo; 50, May 146 70.25 140.25 141.00 142.25 143.00 143.50 144.75 146.75	H-14-14-14-14-14-14-14-14-14-14-14-14-14-
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Pleinum (per troy dz) Paliadium (per troy dz) Alaminium (free market) Copper (US Producer) Lead (US Producer) Relegion (US Producer) Tin (European free market) Tin (European free market) Tin (New York) Zinc (US Prima Weetern) Castle (live weight)† Sneep (dead weight)† Pigs (live weight)† London delity sugar (raw) London delity sugar (white) Fatte and Lyte export price Barley (English feed) Macze (US No. 3 yallow) Meatz (US No. 3 yallow) Meatz (US Dark Northern) Rubber (July)♥ Rubber (Aug)♥ Rubber (KL RSS No 1 July)	\$574.75 \$178.0 \$178.0 \$1153118c \$35.0c 7710c \$391.5c \$1157.5 \$1157.5 \$21.70p 72.73p \$251.0y \$247.5 \$107.5y \$251.0y \$247.5 \$107.5y \$3.5c \$107.5y \$3.5c \$107.5y \$3.5c \$107.5y \$3.5c \$107.5y	-14.25 -2.0 -20 -20 -2.05 -4.05 -4.5 -4.5 -1.0 -1.0	Aug Oct Tyrmove 1769 (14 Paris- V Dec 148 Sep Oct Nov Sep Oct Nov GRANS: Wheat Jy	299.50 252.50 252.50 252.50 259. 40.10 259. 250. 250. 250. 250. 250. 250. 250. 250	257.00 258.00 53 (5056) lor per torine): 50, May 146 Previous 140.25 141.00 142.25 141.00 142.75 145.75 146.75	H-144 144 144 144 144 144 144 144 144 144
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Pleinum (per troy dz) Paliadium (per troy dz) Alaminium (free market) Copper (US Producer) Lead (US Producer) Relegion (US Producer) Tin (European free market) Tin (European free market) Tin (New York) Zinc (US Prima Weetern) Castle (live weight)† Sneep (dead weight)† Pigs (live weight)† London delity sugar (raw) London delity sugar (white) Fatte and Lyte export price Barley (English feed) Macze (US No. 3 yallow) Meatz (US No. 3 yallow) Meatz (US Dark Northern) Rubber (July)♥ Rubber (Aug)♥ Rubber (KL RSS No 1 July)	\$574.75 \$178.0 \$178.0 \$1153118c \$35.0c 7710c \$391.5c \$1157.5 \$1157.5 \$21.70p 72.73p \$251.0y \$247.5 \$107.5y \$251.0y \$247.5 \$107.5y \$3.5c \$107.5y \$3.5c \$107.5y \$3.5c \$107.5y \$3.5c \$107.5y	-14.25 -2.0 -20 -20 -2.05 -4.05 -4.5 -4.5 -1.0 -1.0	Aug Oct Tyrmove 1769 (14 Paris- V Dec 148 Sep Oct Nov Dec Jar Turnove GRARIS Wheet Jay Sep Oct Nov Jar Turnove GRARIS	299.50 252.50 252.50 252.50 252.50 259. 250. 250. 250. 250. 250. 250. 250. 250	257.00 258.00 53 (\$256) lor per torsne): 50, May 146 Previous 140.25 141.00 142.25 141.00 142.75 145.75 146.75	H 14 14 14 14 14 14 14 14 14 14 14 14 14

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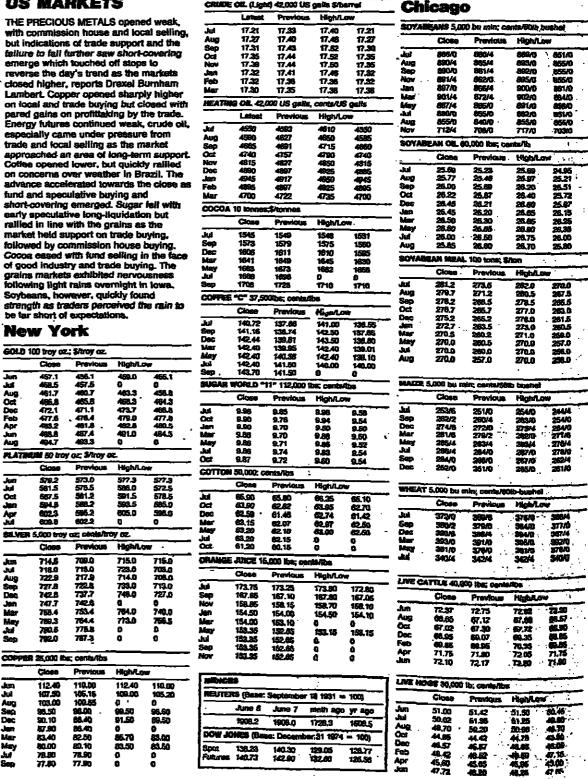
£ a tonne thiess otherwise stated, p-pencefig, o-cents/fb, r-ringgl/kg, u-ktly, x-lut/Aug, a-ful/Sep, z-Aug, y-kun/kul, thiest Commission average tata-took prices. • Change from a whet ago. \$\psi\$-Index (60% Robledom, \$\phi\$ Sutton market 60% Robledom, \$\phi\$ Sutton market 60%.

Жy	909	917	913 901	A
Sep Dec	929 960	936 967	933 922 964 962	C
Mar	996	885	989 976	3
May	1005	1012	1000 999	A
Jul Sep	1023 1042	1032 1050	1023 1016 1045 1035	ā
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tor Jun	B : 1205.24	l (1213.50) .1	ID day average for	2
Jun 9 :	1235.39 (12	241.70)		3
				ē
COFFEE	E/sonne			č
	Close	Previous	High/Low	3
Jly	1134	1139	1140 1130	9
Sap	1142	1149	1150 (136	G
Nov	1150	1160	1155 1148	_
Jan Mar	1161 1174	1189 1186	1163 1160 1174 1170	L
May	1184	1190	1165	C
	r. 1886 (3	36) lots of (5 tonnes	3
ICO Ind	extor pric	es (US cents	per pound) for June	N
9: Comp		79 121.99 (12	2.52); 15 day average	C
s terms &	117.74%			3
				Z
Apple	1 5 per ton	ne		C
Rew	Close	Previous	High/Low	. 3
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Oct	223.60	219.40	223.80 216.00	
Dec Mar	224.40 222.40	222.80 217.80	224.20 218.00 222.80 215.00	7
May	222.20	217.60	es-00 6:00	-
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Qct	222 10	215.00		F
White	Close	Previous	High/Low	A
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Aug	253.50	251.00	253.50 247.50	
Dec	253.00	251.00	252.00 249.00	9
Mar May	255.00 258.00	254.50 255.00	255.00 252.50 254.00	
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Oct	262,50	258,00		0
		53 (5056) lo	ts of 50 tonnes; White	Ť
1769 (1- Paris- 1	جين. White (FFr	per tonnel:	Aug 1489, Oct 1458,	<u>'</u>
			D, Aug 1495	-
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BAS OF	\$/torne			7
GAS CA	S/tome Close	Previous	High/Low	0
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ZAS CA	 _	140.25 141.00	140.00 138.25 140.75 138.75	O JA
Jul Aug Sep	Cicse 138.50 139.00 140.75	140.25 141.00 142.25	140.00 138.25 140.75 138.75 141.50 140.25	0 3 A B
Jul Aug Sep Oct	138.50 138.00 140.75 142.00	140.25 141.00 142.25 143.00	140.00 138.25 140.75 138.75 141.50 140.25 142.50 141.50	0
Jul Aug Sep	Cicse 138.50 139.00 140.75	140.25 141.00 142.25	140.00 138.25 140.75 138.75 141.50 140.25	0 3 A B





New York GOLD 100 troy oz.; \$/troy oz. Close Previous 456.1 457.5 460.7 465.8 471.1 476.4 481.8 487.4 463.3 573.0 578.5 581.2 588.2 596.2 602.2 709.0 718.0 717.9 732.8 737.7 742.8 753.4 764.4 776.8 781.3 Jun Jul Sep Dec Jen Mar Jul Sep 714,5 718.0 722.9 727.8 742.8 747.7 768.4 769.3 780.5 792.0 112.40 107.50 103.00 98.50 90.10 87.90 83.40 80.00 78.90 77.80 110.00 105.15 100.55 96.00 68.40 86.40 82.50 80.10 78.90 77.90



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Very little change

THERE WAS little change to interest rates on the London money market yesterday. Sterling appears to have entered a steady phase, and was holding the steady phase, and was holding the steady phase, and was holding the steady phase.

ling appears to have entered a steady phase, and was holding relatively firm at around DMS-12 and \$1.8150 yesterday, without showing any sign of another sudden upward surge.

Activity in the market was subdued, with dealers reluctant to take a view, ahead of Tuesday's US trade figures, because of the probable impact on the pound.

IN teachs lead to the pound.

IN teachs lead to the late and the pound.

IN teachs lead to the late as the up of Treasury bills, drained \$222m, with a rise in the note circulation absorbing \$55m. These factors outweighed Exchequer transactions adding \$70m to liquidity, and bank halmoss above target of \$45m.

In Paris the Bank of France left its money market intervention rate at 7 p.c. when injecting funds into the domestic money

Dealers expect sterling to be a market, via a securities repurchase tender, against first cate-the dollar on had trade news, but it is likely to suffer more than most major currencies from good figures, leading to demand for the dollar.

This in turn will have a direct impact on the future direction of agreements expire.

FT LONDON INTERBANK FIXING

(11.00 a.m. June. 9 3 months (15 dollars 6 months HS Dollars

MONEY RATES Treasury Bills and Bonds
5.79 Twee year
6.21 Four year
6.60 Fee year
6.75 Sees year
7.62 10 year
7.85 30-year NEW YORK

In Paris the Bank of France left its money market interven-tion rate at 7 p.c. when injecting-funds into the domestic money LONDON MONEY RATES

the dollar.

This in turn will have a direct impact on the future direction of UK interest rates, and may decide whether the Bank of England has further room to raise hank base rates. Three-month interbank finished unchanged since May 26, and there was some speculation that the Bank of England has further room to raise hank base rates. Three-month interbank finished unchanged at 8%-8% p.c., yester-month finished p.g., yester-

- Loans increased by 31.8%. Average total customer deposits, in the parent company's domestic network, rose by 10.1% from December 1986 to December 1987.

- Number of private customers with securities accounts reached one million (+57%).

• Financial markets:

Société Générale developed its international network by opening a securities bouse in Tokyo and by becoming a member of the Tokyo Stock Exchange In France, Société Générale ranks first in the options market, and in the case of foreign exchange options bas a 40% market share,

• Financial services: Our lead position in this field was strengbthened, and Société Générale purchased a consumer credit company in Italy with 19 outlets.

1987 GROUP INCOME:

- Despite the unfavourable economic environment, Société Générale further increased its net income. - Net consolidated income was 2,680 million French francs, out of which the group's share amounted to 2,376 million. This result was achieved without any significant sale of

- The group's share of "current income," i.e., net income excluding non-recurring items, increased by

Net banking income grew by 3.7%. Commission income reached 26% of net banking income in 1987,

thus making our income less sensitive to changes in

Nat Westminster Northern Bank Ltd ... Norwich Gen. Trust ...

PK Figure, IntXUXO . Provincted Basek PLC

United Mizrabi Bank ... United Mizrabi Bank ... Unity Trust Bank Pic ... Western Trust

Westpac Bank Corp. Whiteaway Laidlan

Wembers of British Merchant Banking & Securities Houses Association. 7 7 day deposits 3.45% Samurice 6.18%. Top Ther-£20,0000+ instant acress 8.00% & Hortsage base rate. § Demand deposit 3.00%. Mortgage 9.125% - 9.5%

Provincial Dama R. Raphael & Sets Cranty

— Operating expenses rose by 10.9% due partly to a change in our methods of consolidation in 1987. Without this change the increase would have been 7% due largely to non-recurring privatisation expenses and to extensive investments in data

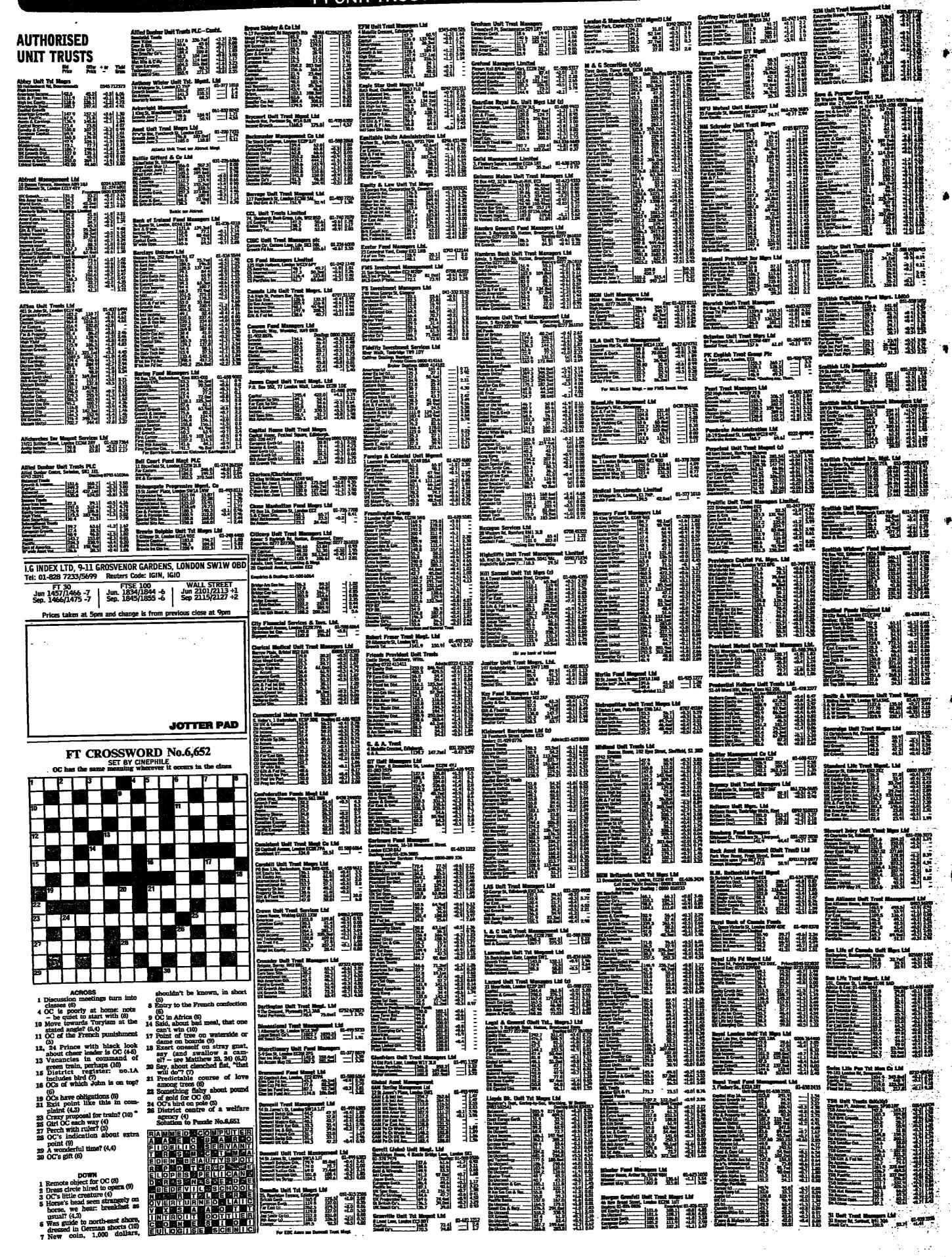
- Société Générale pursued its policy of covering country risks and these provisions now exceed 50%. On the other hand the improvement in the financial positions of our corporate customers, and the ever increasing percentage of low risk assets in our loan portfolio enabled us to reduce provisions by 31%.

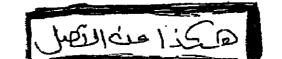
MILLIONS FF	1987	1987/86 %
NET BANKING INCOME	28,647	+ 3.7
OPERATING EXPENSES	19,461	+ 10.9
GROSS OPERATING INCOME	9,186	- 8.9
PROVISIONS	4,960	- 31.0
NET INCOME	2,376	+ 3.2
SHAREHOLDERS' EQUITY AND SUBORDINATED LOAN STOCKS	24,992	+ 15.0

At our shareholders meeting on 31 May 1988, it was proposed that 559 million French francs be distributed to shareholders (+21% in one year), i.e. 23.5% for the group's share of net income. Consequently, a net dividend of 10 French francs (tax credit excluded) was proposed per ordinary share or CIP (non-voting preferred share).

SOCIÉTÉ GÉNÉRALE

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Financial Times Friday June 10 1988

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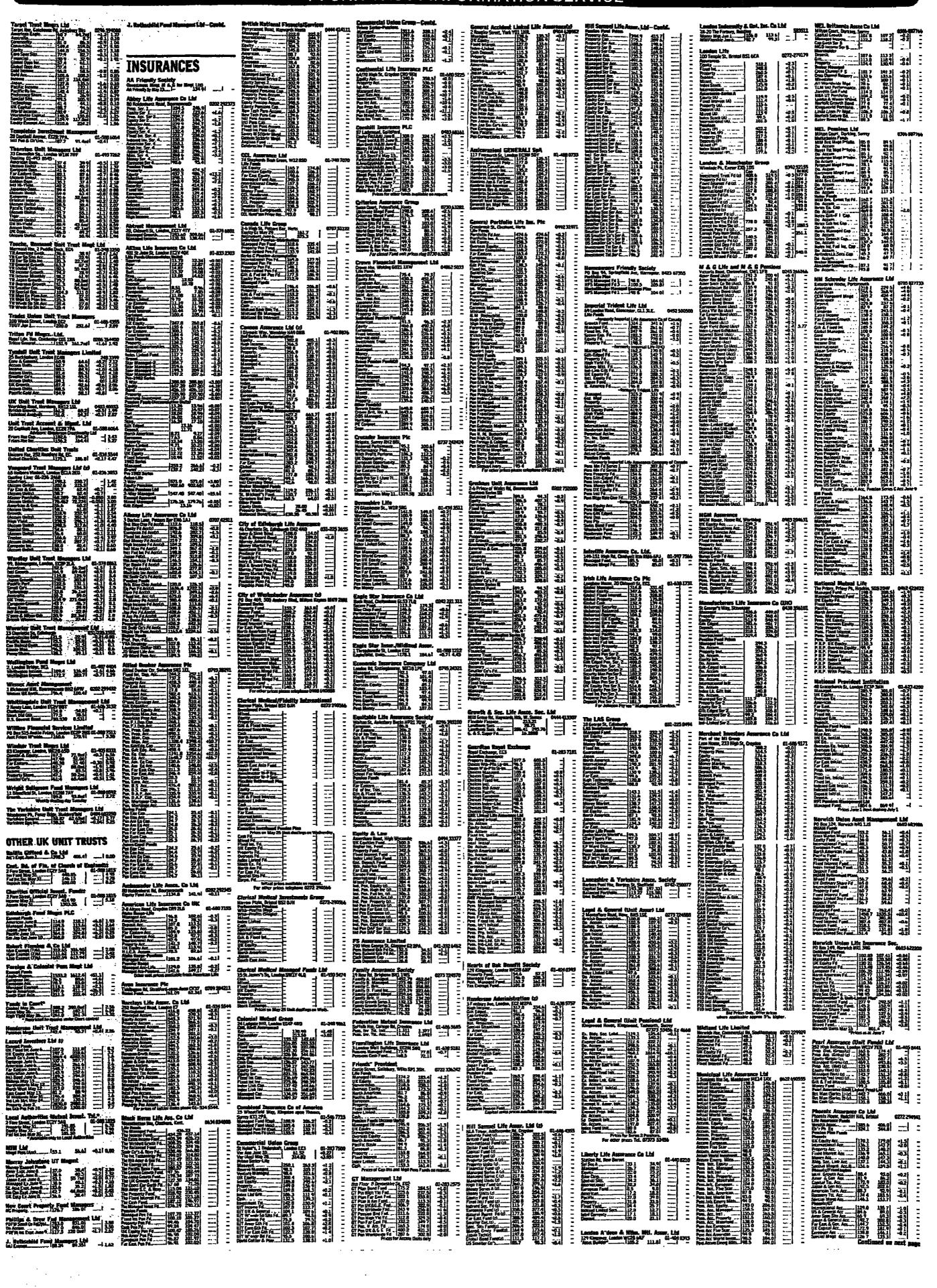
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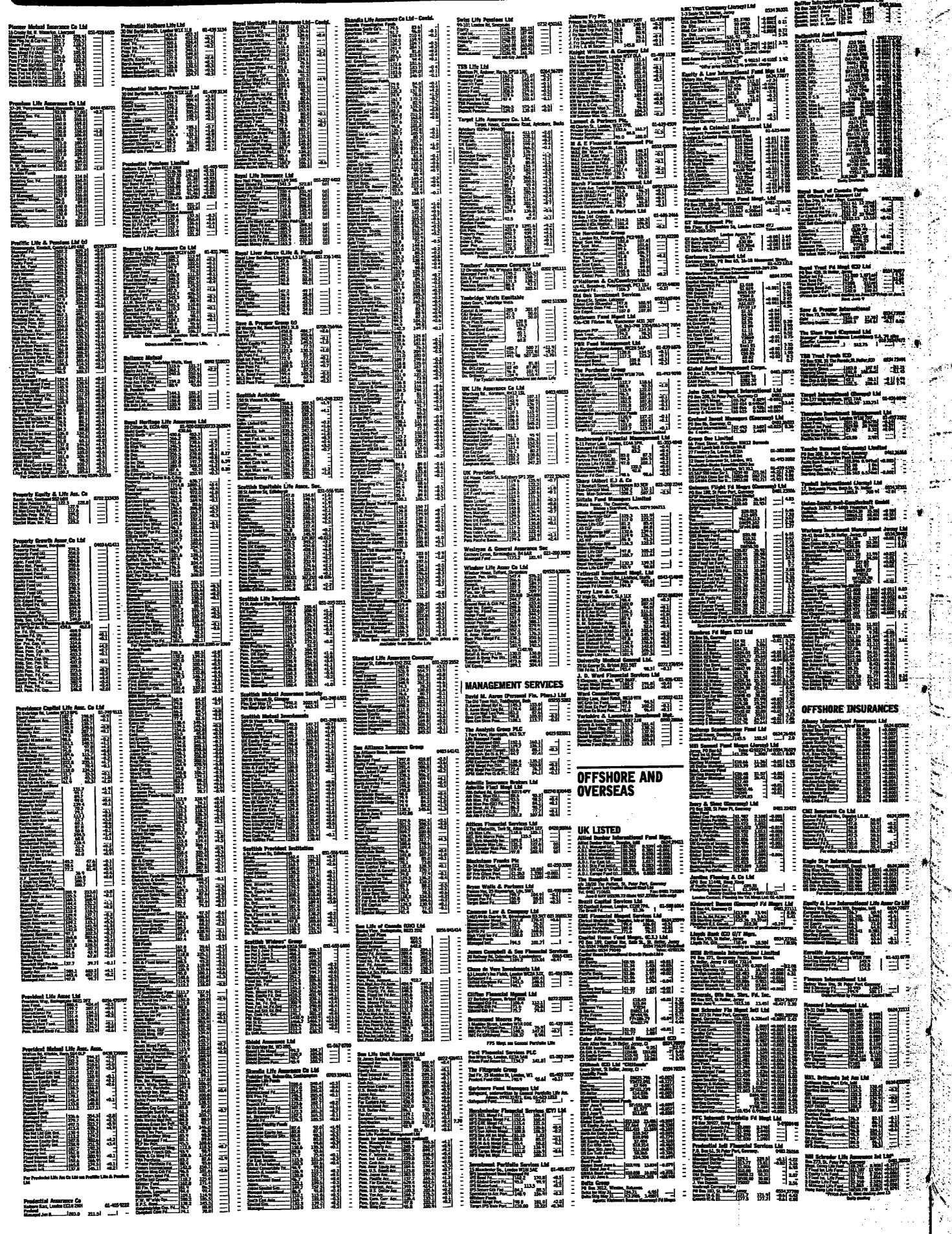
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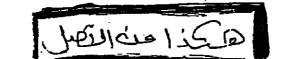
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Financial Times Friday June 10 1988

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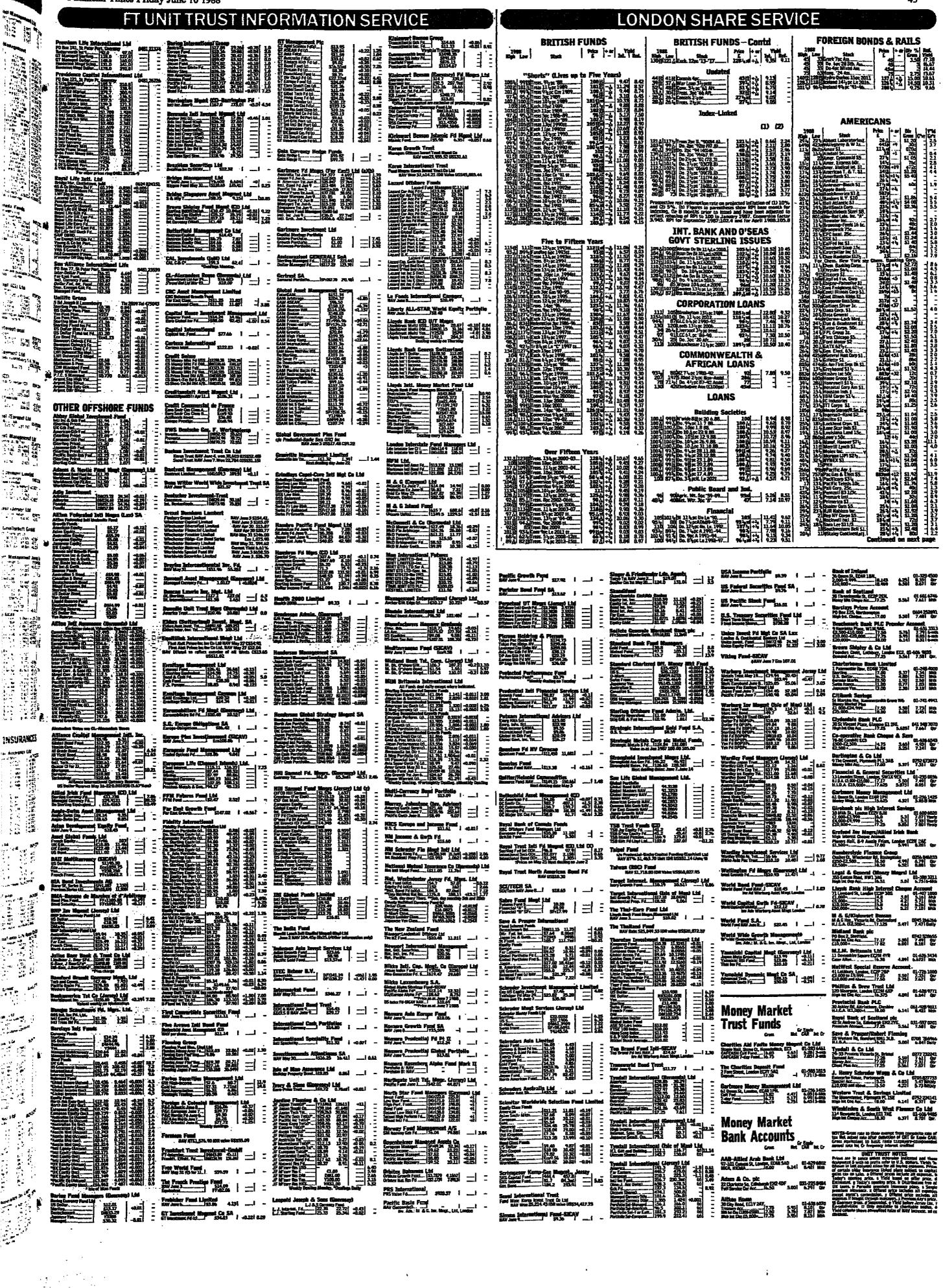
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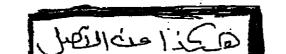
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LONDON SHARE SERVICE

		LUNDUNSHA	ARE SERVICE		
AMERICANS Contd	BUILDING, TIMBER, ROADS -	Tana i Landson i bred	ENGINEERING — Contd	INDUSTRIALS (Miscel.)—Contd	INDUSTRIALS (Miscel.) - Contd.
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LONDON SHARE SERVICE TEXTILES-Contd LEISURE-Contd OIL AND GAS - Contd MINES-Contd PAPER, PRINTING, | S - Contd | Property TRUSTS, FINANCE, LAND-Contd Stock Styling Charles Stock Styling Charles Ch + m + m - 251 - 251 - 261 - 301 | Primary | Prim | 1982 | 1984 | 1984 | 1984 | 1984 | 1984 | 1984 | 1984 | 1984 | 1985 | 1986 | 1985 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | 1986 | Sheet 14 Nova 6 68 NZS 50 12 Nova 6 68 NZS 50 10 Nova 6 68 NZS 50 10 Nova 6 68 NZS 50 10 Nova 6 68 NZS 50 20 NZS 6 8 NZS 50 20 NZS 6 N Price - W Br | Y'14 | C W Br' | P/E | 312 | 12/25 | 6.9 | 1.0 | E/6 | 253 | -1 | 3.0 | 4 | 1.5 | 6 | 1.0 | 1.0 | 6 | 1.5 | 6 | 1.0 | 6 | 1.5 | 6 | 1.0 | 6 | 1.5 | 6 | 1.0 | 6 | 1.0 | 6 | 1.5 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 1.0 | 6 | 2.9 4.8 5.13.5 2.7 4.4 8.5 1.8 5.4 9.5 1.8 9.5 1.8 PROPERTY | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 224 10 557 225 41 12 557 225 41 12 557 225 41 12 557 225 41 12 55 10 26 225 11 13 30 225 11 13 3 220Fries Leisers. 220Fries Leisers. 220Fries Griffston 20.0. 42Estranslas TVA 18c. 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III 23Estrans TOBACCOS 49 -2 2003 14 0.7 8 100 -2 010 1.4 4.1 105 425 015 4.2 1.4 118 435 015 4.2 1.4 128 1290 1.2 4.5 129 1290 1.2 4.5 110 0250 1.0 4.5 25 Myer Hitam SM1.... 70 Servor... 70 Servor... 3 Sporra Betan HS9 50... 3 SLattar 121 p... 27 Malaysia Mog. 10c... 110 Petal Ing SM1.... 65 Sungel Best SM2.... 95 Tanjong 150.... 399BAT lade d 441 42 16.9 2.6 5.1 8.5 1992Ba 124grin 1398 45.1129 124, \$24, \$10.0 5 365Bothman 1250 d 444 17.7 4.6 2.3 9.9 TRUSTS, FINANCE, LAND Price - Net Chrisis 2013 30 -2 149 -5 146 Sidneyle-Donthilon. 103 Bartle Mining 10p. v 33-y Poolly Res Lorn. 103 Cost March. 10c. 57 VP DC, Isc. 57 VP DC, Isc. 104 Kaphara Ltd Vig So. 104 Kaphara Ltd Vig So. 105 Visionestake Mining SI. 116 Visionestake Mining SI. 118 Visionestake **Investment Trusts** | The control of the 2021 haves TV ... 2 1021 totacions fiction ... 7 5987 filio 100 ... 2 5487 rue Tes 50s ... 6 648/star TV ... 8 838/right Group 10p ... 8 77 Weembry 5p ... 8 20 by Williams (that 5 s... 4 20 by Williams (that 5 s... 4 90 by Williams (that 5 s... 4 **PLANTATIONS** THIRD MARKET Price - Net Chrise's S, Palm 011 10 22 1-6 10 22 1-7 10 22 1-7 10 22 1-7 10 22 1-7 10 23 1-7 10 23 1-7 10 23 1-7 10 23 1-7 10 23 1-7 10 23 1-7 10 23 1-7 10 24 1-7 SUNDERS, P SSKADIO-East Plants. v/ 75Serfam 100. 47Cots. 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Alkany Inv 200. ... \$\frac{478}{678}\$. \$\frac{478}{177}\$. \$\frac{279}{1804}\$ (Lea) 259. \$\frac{478}{1514}\$ (R. & H.)... \$\frac{119}{152}\$ (R. & H.)... \$ SHIPPING Australians 27 10 Mary Septiks 20c. 179 10 Mary Septim M. 20 14 Mary Septim M. 201 14 Mary Septim Mary Septim M. 201 13 Mary Septim Mary Septim M. 201 14 Mary Septim Mary Septim M. 201 15 Mary Septim Mary Septim Mary Septim M. 201 15 Mary Septim Mary Septim M. 202 15 Mary Septim Mary Septim M. 203 15 Mary Septim Mary Septim M. 204 15 Mary Septim Mary Septim M. 205 15 Mary Septim Mary Septim M. 206 15 Mary Septim Mary Septim M. 207 15 Mary Septim Mary Septim M. 208 15 Mary Septim Mary Septim M. 209 17 Mary Septim Mary Septim M. 201 15 Mary Septim Mary Septim M. 201 15 Mary Septim Mary Septim M. 202 15 Mary Septim Mary Septim M. 203 15 Mary Septim Mary Septim M. 204 15 Mary Septim Mary Septim M. 205 15 Mary Septim Mary Septim M. 206 15 Mary Septim Mary Septim M. 207 17 Mary Septim Mary Septim M. 208 15 Mary Septim Mary Septim M. 209 17 Mary Septim Mary Septim M. 209 17 Mary Septim Mary Septim M. 201 15 Mary Septim M. 201 15 Mary Septim M. 202 15 Mary Septim M. 203 16 Mary Septim M. 204 15 Mary Septim M. 205 15 Mary Septim M. 206 15 Mary Septim M. 207 17 Mary Septim M. 207 17 Mary Septim M. 208 17 Mary Septim M. 208 17 Mary Septim M. 209 17 Mary Septim M. 209 17 Mary Septim M. 201 17 Mary Septim M. 201 17 Mary Septim M. 202 17 Mary Septim M. 203 17 Mary Septim M. 204 17 Mary Septim M. 205 17 Mary Septim M. 206 17 Mary Septim M. 207 17 Mary Septim M. 208 17 Mary Sept TRADITIONAL OPTIONS 3-month call rates | Section | Sect 50 kg 920 5914 95 275 275 275 275 275 275 275 **TEXTILES**

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A SLOW trading session in the UK equity market ended with a burst of strength as the advances in US and Continental markets sparked off a revival of speculative activity in London. The attention switched away from the international market leaders and towards the food manufacturing and financial stocks as the the US market jousted with its post-Crash high. Modest rises were seen in the Government bond sector, which appeared broadly satisfied with the revised US trade figures for 1987 and the first quarter of 1988, released yes-terday as a curtain raiser to the April trade figures due on Tues-

day.
The FT-SE 100 Index put on 18.3 to 1841.5, showing strength both the food and the composite insurance sectors were ablaze with speculative activity. Seaq turnover jumped to 476.5m

The excitement started when Rowntree shares moved up sharply on market rumours that Nestle and Jacobs Suchard had struck a deal over their battle for control of the UK chocolate manufacturer quickly raced through the food share sector. Both Swiss firms firmly denied that Suchard had sold its Rowntree stake to

There was also a speculative rush into composite insurance shares, where bid rumours have circulated recently. The strongest feature was Sun Alliance.

The equity market had been marked higher before the official opening as London anticipated a strong response to Wall Street's overnight rise of 48 Dow points, to news from Tokyo of a reduced May trade surplus, and to an initially easier trend in sterling. London proved less enthusiastic than the Continental markets, however. As so often recently, buyers resolutely refused to put in an appearance. Prices were soon marked down again, and the early part of the session was slow

Trading statements from Bee-cham, Boots and British Telecom were received with satisfaction but without any great enthusi-asm. With the bond market cautious as it awaited the revised US trade statistics, equities settled down to trade quietly.

The blue chips began to move up again as Wall Street made a firm start, but turned cautious as the Dow turned back from its post-Crash peak of 2110.8, chalked

The first hurdle came at mid-

EQUITY GROUPS

& SUB-SECTIONS

Equities close firmly featured by speculation in food and insurance stocks

session when the US Commerce department released revised its 87 and '68 trade figures, showing the seasonal adjustments which will also be incorporated in next week's trade figures for April.

Bonds ended the session with gains of about & at the longer end. All eyes are focused on next week's trade figures announcement, which is likely to set the course for the dollar for the near

However, the revised trade deficit of \$170.32bn for last year was "no surprise", said Mr John Whitehead, economic analyst at Robert Fleming, the UK securi-ties house. "We still seem to be on course for \$12bn monthly defi-

cits this year", he added. With the US bond market also steady following the revised defi-cit figures, London closed calmly. Turnover, however, remained dis appointingly thin. Index-linked Gilts showed little change on the

After a quiet start, Rowntree once again became the centre of the market's attention as the rumour circulated that Suchard had agreed a deal to sell its stake in the chocolate manufacturer to Nestlé. Rowntree shares were marked sharply higher in mid-afternoon as analysts estimated that Nestlé would have to offer more than £11 per share to win the Suchard stake.

The two Swiss companies moved quickly to post official denials of the rumour, but this failed to take the heat out of the speculation. Talk of a deal between the two has been in the market for a few days and many marketmakers remain convinced that the two companies are negotiating over Rowntree. Other sources suggested that Suchard still has hones to capture Rowntree and will publish its offer document early next week. The

Shares in Cadbury-Schweppes rose strongly in sympathy, put-ting on 8 to 414p. Mid-day turnover of 19m shares jumped to 7.5m at the close in active trading, as dealers assumed Suchard, were it to sell its Rowntree stake, would turn_its predatory atten-

tions on Cadbury. One rumour said that Suchard and General Cinema might agree to dismember Cadhury, with the Swiss firm taking the chocolate arm and General Cinema absorb-

ing the bottling side.
Strong buying sent Unigate shares rocketing up 33 to close at 345p. Turnover was 4.8m following speculation that a bid may be made for the company next week. Dealers were unsure where the to the good.

FT - ACTUARIES INDICES

the Institute of Actuaries and the Faculty of Actuaries

Thursday June 9 1988

	June	Jgoe	june	June	June	Year	1988		Since Compliation	
	9	8	7	6	3	Age	High	Live	High	Low
meruphent Sees	89.80	89.78	89.72	89.62	89.43	92.64	91.43	86.97	127.4	49.18
			i 1	ĺ	i i	[(18/4)	C13/I)	19/1/35)	G/1,/751
xed interest	98.08	98.21	98.15	98.49	98.32	98.84	96.67	94.14	105.4	50.53
		ļ		l :	j	J :	(25/5)	8(1)	(28/11/47)	3/1/75)
4627 ?	1463.7	1455.2	1445.1	1452.8	2444.4	1740.8	1478.7	1349 0	1926.2	49.4
			l		ا ۔۔۔۔ ا		(4/3)	08/2)	0.6/7/87	(26/6/40)
ki Mines 2011 M bk	2285	232.5	236.0	234.3	232.1	399.2	312.5	195.4	734.7	43.5
		l I			[7/13	03/5)		(26/10/71
d. Div.Yield	4.52	4.53	4.56	4.54	4.58	3.28		S.E AC	TIVITY	
raings Yie. %(fail)		11.64	11.73	11.66	11.76	7.91	<u></u>	dices	June 8	June 7
E Ratio (net)(*)	10.51	10.51	10.43	10.49	10.41	15.58	GIN Edged I	Bergales	104.1	110.6
AQ Bargains (Sport)		22,647	25,739	25,961	32,280	46,811	Equity Bargains		164.1	189.7
guity Tieraover (Em)		1006.66	1277.39	924.53	1370.03	1877.58	Equity Value5-Day average		2034.7	2581.9
• -			29,271	27.913	35,108	55,886	Gir Edged	Bargalus	110.4	114.9
golfy Bargains		25,334					Equity Barg	#JiRS	190.0	193.2
races Tiraded (Inj.)	-	4165	483.2	3 99 .7	57L5	6529	Equity Valo	e	- 2332.3	2387.3

Day's High 1463.7 Day's low 1457.8 Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, S.E. Activity 1974, * NII = 10.40.

1459.0

1459.3

1458.7

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

buying was coming from and none of the names mentioned as Holdings advanced by 17 to 390p Hanson, Hilisdown molonings and ures. The securities houses, much credibility.

1461.2

gate, French company BSN, was widely touted, but one analyst was dismissive. was dismissive, saying that 335p.
although BSN is big enough to
launch a bid, the idea "smacks of tax" desperation".

Composite insurance stocks closed strongly, with several London securities houses chasing the stock. Traders rejected sugges-tions that confidence in the dollar was behind the buying, and Rowntree share price closed at pointed to recent rumours that a 1070p, a gain of 26 on turnover of major bid move in the sector is

> General Accident jumped 27 to 919. Sun Alliance 20 to 936p. Guardian Royal 20 to 898p and Royal 12 to 419p.
>
> The rest of the financial sector

followed the market trend, opening higher but topping off later. The sector remained subdued in ket estimates and as expected late deals, when Wall Street influences were helping some of the international manufacturing stocks.

There was some speculative activity among life companies. Abbey Life regained 11 to 321p as buyers continued to look for an announcement from Banque Paribas, which is believed to have been building a stake with a view to bidding. Pearl, at 503p, were 8

Wed Jap 8

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jid Pida Pida

Year ago (approx)

In discount houses, Cater Allen possible bidders - among them following Wdenesday's prema-for four channels on the Hanson, Hillsdown Holdings and ture release of the trading fig-medium-powered satellite.

1459.9

Beecham weighed in with pretax porofits for the year of £406.5m which proved to be well in line with market expectations. Nevertheless, a good business developed in the shares (some 5.7m changed hands) with the price closing 6 down at 478p after the recent strong run.

In the wake of the figures. Flemings' analysts regard the shares as a dull hold for the momment, but sensitive to developments in Eminase, the group's ert drug.

Boots' preliminary figures(ex property and exceptional items) ich came out at £235.7m were in line with the majority of marcaused little excitement. However, with nothing positive

emanating from the submeeting with analysts and the market taking a cautious view on prospects, the Boots share price fell away to close 6 lower on the day at 216p. Around 8.3m shares were traded.

Amstrad remained in the lime-light in the wake of the group's move into the production of satellite dishes. Amstrad is joining

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290 300 330 33 20 9 14 30

14 21 40

77

18 26

Hateson (*2.37)

21₂ 6 11

9 20

Cable & Wis (*366)

Cons. 6014 (*2073)

Britoll (525)

forces with Mr Rupert Murdoch's Sky TV which has secured space for four channels on the Astra

1462.7

1460.2

The Amstrad share price advanced 11 more to 209p with volume remaining at a high level. Some 9.9m shares changed

British & Commonwealth contion is rife", and there was activity in the options market as well as in ordinary shares. One trade of 600,000 shares was reported at issues, Enterprise, down 3 at 455p 272p and the shares closed at and LASMO, down 3 also at 455p 274p, a rise of 11 on the day.

Analysis warned that profit tak-merger plans. ing could set in unless there is an

announcement today.

higher at 559p as Warburg Securities issued a buy recommendaputting on 6 to 365p and Bassett
tion for the stock. Interest was Foods gaining 4 to 225p. United
also enlivened by the group's Biscuits was also a firm market
increased hid for Hollophane of and the shares put on 7 to close FF1.725, 15 per cent above the at 306p, while Unilever opened

at 475p.

recently announced offer from Racal met with US buying interest and eventually settled a only 1.3m shares changed hands as bid rumours retreated. few pence firmer at 316p in a volume of 2.9m shares.

There was a reasonable turnover in British Telecom (4.5m) higher in a good volume of trade which produced preliminary fig. (6.2m) to close 3 higher at 288p. times in line with market expects. Pikkington, thought to have been time. The characteristics tions. The share price closed a few pence firmer at 242p. Cable larly good market 213p, up 9, and Wireless were briskly traded at 355p, up 6, while reports of a favourable circular left STC 8 to the good at 282p.

the good at 268p.

BP followed the trend of other international blue chips, opening higher but then settling back towards overnight quotations when the buyers refused to enter next week. the market. There was a cautious Sidlaw r ponse to a statement from the UK Department of Trade and Industry that the Kuwait Investment Office (KlO) will not increase its BP stake beyond the present 22 per cent pending the report from the Monopolies and Mergers Commission, due now

within three months.

The DTI statement followed nervousness over the KIO stake in the market earlier this week, when some analysts warned that, if pressure was put on the KIO by the Monopolies Commission, it might sell its entire BP stake. BP ended unchanged, the new shares at 70p and the old at 267p.

The rest of the sector, lacking tinued its recent rise in busy any positive news from the Opec turnover of 3.6m shares. One meeting moved narrowly. The dealer commented that "specula-dollar helped Shell up to 1070p but by the close, the shares were back to 1065p, a net 3 higher. Among the more speculative

The brewery sector was stag-nant as bid speculation moved Singer & Friedlander firmed 7 decisively to the food manufacto 92p on persistent talk that turers and retailers in buoyant B&C will bid for that bank on the late trading. The rumours surback of its existing stake. rounding Rowntree and Cadbury
Thorn EMI came to life and lifted most of the food stocks. rounding Rowntree and Cadbury moved ahead strongly to close 19 with Northern Foods rising 5 to

NEW HIGHS AND LOWS FOR 1988

(3) SANCIS (3) SERVERS (2) SULLINGS (18) CHEMOLIS (3) SANCIS (3) SERVERS (2) SULLINGS (18) CHEMOLIS (3) STORES (4) ELECTRICALS (12) SEGURES (4) NOTELS (1) SEGURES (3) SEGURANCE (5) LEBURE (3) SEGURANCE (6) LEBURE (3) SEGURANCE (5) SAPERS (4) PROPERTY (17) TEXTILIS (3) TRUSTS (18) OLS

LONDON TRADED OPTIONS

SUBLIBERGS (2) McAlpine (Alfred), McCerthy & Stone, CHEMICALS (1) Chemoxy Intl., STORES (1) Usher (Franc), ELECTRICALS (1) Personal Comps., ENGINEERISIO, (1) Habit Pre-

STRIALS (1) Cont. Stationary, MEWSPA-(1) Barbour Index, TAUSTS (1) Jove Inv. WINSEAR TRANSPRE (1) UNI. Plants Africa.

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higher after Wall Street's strong performance and closed 12 better

Dalgety bucked the trend after Tuesday's strong rise, closing 6 down at 328p. Dealers said there were buyers of the stock, but

BAA's annual results were well received with the shares edging

flurry and put 8 to 268p. Buying was aroused by hopes of favoura-ble news on the group's Pentamidine drug from the Aids confer-ence to be held in Stockholm

Sidlaw responded to bumper interim figures with a rise of 7 at 152p, while Coloroll, still reflecting the better-than-expected annual results, advanced 6

further to 1979.
Camford Engineering produced figures in line with expectations and the shares eased initially before closing at 204p, up 5.

Lucas continued Wednesday's

progress and gained 11 more to 539p.

The highlight in the papers sector was News International. up 7 to 254p after Tuesday's announcement of the satellite television deal with Amstrad. Jefferson Smurfit rose 9 to 445p as dealers reported Irish buying fol-lowing Wall Street sovernight strength. Reed International was

up and down as seliers appeared each time the shares threatened to rally and the shares finally closed 2 better at 408p. Walter Runciman, the special-

ist in LPG carriers, closed 3 down

at 335p despite an earlier raily to 343p. This followed yesterday's hostile bid from the diversified engineering company, Telfos

Hodings.
The big three stocks in the Overseas Traders sector all lost ground. Lourho never really showed after a disappointing met of interims. Profits before tax of £80.4m, up only £4.3m on the year, failed to excite the market and the shares dropped 4 to 238p.

The property sector was relatively and the shares dropped 4 to 238p. tively quiet after the excitement of Tuesday's British Land and Great Metropolitan results. What interest there was focused on Regallan, up 4 to 184p on the back of yesterday's threefold

jump in profits. jump in profits.

Turnover in Traded Options picked up handsomely, with the overall total up to 34,365 cantracts, made up of 24,761 calls and 10,205 puts. The two to stand out were ADT, the features Hawley Group, the hospital and out were AFT, the losses haw-ley Group, the hospital and cleaning services company, with 2,801 calls and 191 puts, and Han-son, which recorded 1,832 calls and 1,290 puts.

Traditional Options

● Last dealings June 10 ● Last declarations Sept 1

© For Settlement Sept 12 For rate indications see end London Share Service Dealers reported an active session in the Traditional option market. Stockes favoured for the market. Stockes involved for the call included Singer and Friedlander, Land Securities, TSB, Butland Trust, Bass, Johnson and Firth Brown, Cadbury Schweppes, North Kalgurii, Trimoco, Telemetrik, Trafaiger, House, Reed International, Courtenate Des Cornocation Pilitanids, Dee Corportation, Pilk-ington, Coloroli and Stakia. Puts were arranged in Cadbary Schweppes, Tranwood, NSM suc Elswick, while Scottish Ice Rink

were dealt in for the double.

TRADING VOLUME IN MAJOR STOCKS

3,200 377 452 1,500 5,100 Pearl Groop ... P & 0 Pikington Picsey RISES AND FALLS YESTERDAY

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LONDON RECENT ISSUES EQUITTES 330 150

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Gress Div. Yield% (Act at (25%) stocks per section 11.31 768.87 765.30 767.76 931.82 13.36 994.44 991.71 972.67 1241.84 25.92 1568.48 1599.33 1561.61 1669.28 2671.47 2334.82 13.55 13.65 13.69 28 2671.47 2334.82 13.77 1624.22 1647.16 1619.50 2658.84 265.33 397.54 265.23 2673.47 2334.82 13.55 12.55 22 274.69 278.88 273.77 369.93 271.24 1282.57 1282.57 13.05 1676.52 1673.94 1681.20 1385.39 13.58 1315.21 1316.69 1321.57 1231.67 966.48 968.92 968.92 992.82 13.65 1372.34 1382.35 1315.24 1322.65 1383.36 1322.17 1331.92 1337.24 1332.65 1383.36 1322.17 1331.92 1337.24 1332.65 1383.36 1322.17 1331.92 1337.24 1332.65 13.65 1 CAPITAL GOODS (208) 10.00 10.30 10.30 10.36 10.04 9.89 10.26 11.68 9.19 10.67 8.47 8.43 10.67 8.43 10.67 8.43 10.57 10.13 11.13 11.13 11.13 12.36 11.49 12.49 12.55 12.75 12.00 9.93 13.96 14.25 11.76 15.75 17.89 14.92 15.14 15.15 11.31 1 Building Materials (29) Contracting, Construction (35) 1008.33 1573.92 2088.85 1642.57 400.38 467.37 276.69 1291.98 Electricals (12) ... Electronics (31) ... Methanical Engineering (56)... Metals and Metal Forming (8) Motors (1.3) Other Industrial Materials (24)... CONSUMER GROUP (187)...
Brewers and Distillers (21)
Food Manufacturing (23)...
Food Retailing (15).........
Health and Household (12)... 983.93 1982.82 1831.98 1328.91 491.38 3604.81 811.22 583.19 892.38 ささきょうちょうちゅうちょうちょう Leisure (30) Packaging & Paper (17) Publishing & Printing (16) Stores (35) Textiles (1,8) OTHER GROUPS (92)... 1166.66 1045.95 1195.86 Agencies (19) ... Chemicals (20) erates (13). Shipping and Transport (12) Telephone Networks (2)..... Miscellaneous (26)... 12.83 12.04 9.72 5.51 12.40 39.00 1847.92 1844.61 1858.87 2175.34 +8.4 18.41 59 | 500 SHARE INDEX (500) 12.77 14.34 1696.93 1026.55 1632.59 1256.88 1837.84 14.96 18.03 24.97 13.82 26.67 3.94 11.21 5.96 782-56 699.65 673.41 679.86 1621.38 1617.96 711.49 679.40 1634.24 6.40 -695.53 764.52 668.94 797.83 1888.46 1118.22 532.67 556.93 #13 #13 #14 #15 #16 #16 #17 #16 #17 548.69 978.28 378.23 1238.91 534.58 975.36 375.86 1228.41 531.78 971.86 377.32 Insurance (Composite) (7) 9.99 4.78 9.76 12.98 26.83 12.73 971.86 1179.29 356.65 384.86 1219.34 1157.18 Merchant Banks (11)... Property (51)............ Other Financial (30).... 387.35 384.27 10.24 8.12 27.23 Investment Trusts (81) Mining Finance (2) Overseas Traders (8) ... 2.96 3.52 4.99 -12.49 11.31 881.23 876.60 534.88 533.21 1134.27 1129.53 ALL-SHARE INDEX (713). +8.7 944.69 1119.63 Jas 8 Day's High +13.3 | 18(1.5 | 1833.5 | 1828.2 | 1829.2 FT-SE 180 SHARE INDEX 4. Thu Jun 9 Wed Jun 8 FIXED INTEREST

8.85 9.15 8.99 9.29 9.35 9.15 7.83 8.62 8.63 8.62 8.87 8.87 8.87 8.78 8.78 8.83 9.16 9.81 9.27 9.37 9.18 9.36 9.51 9.23 9.05 Drittish Ga 122.74 -0.84 122,92 0.13 5.33 2 5-15 years .. 141.25 +9.04 |141.20 5.89 9.38 9.58 9.22 9.85 6.67 149.61 +0.22 149.67 0.40 3 Over 15 years. 6.31 5.42 166.51 +8.15 | 166.26 0.10 137.55 +0.05 137.59 Index-Listed
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† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Brackeo House, Cannon Street, London ECAP 4BY, price 15p, by post 32p.

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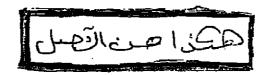
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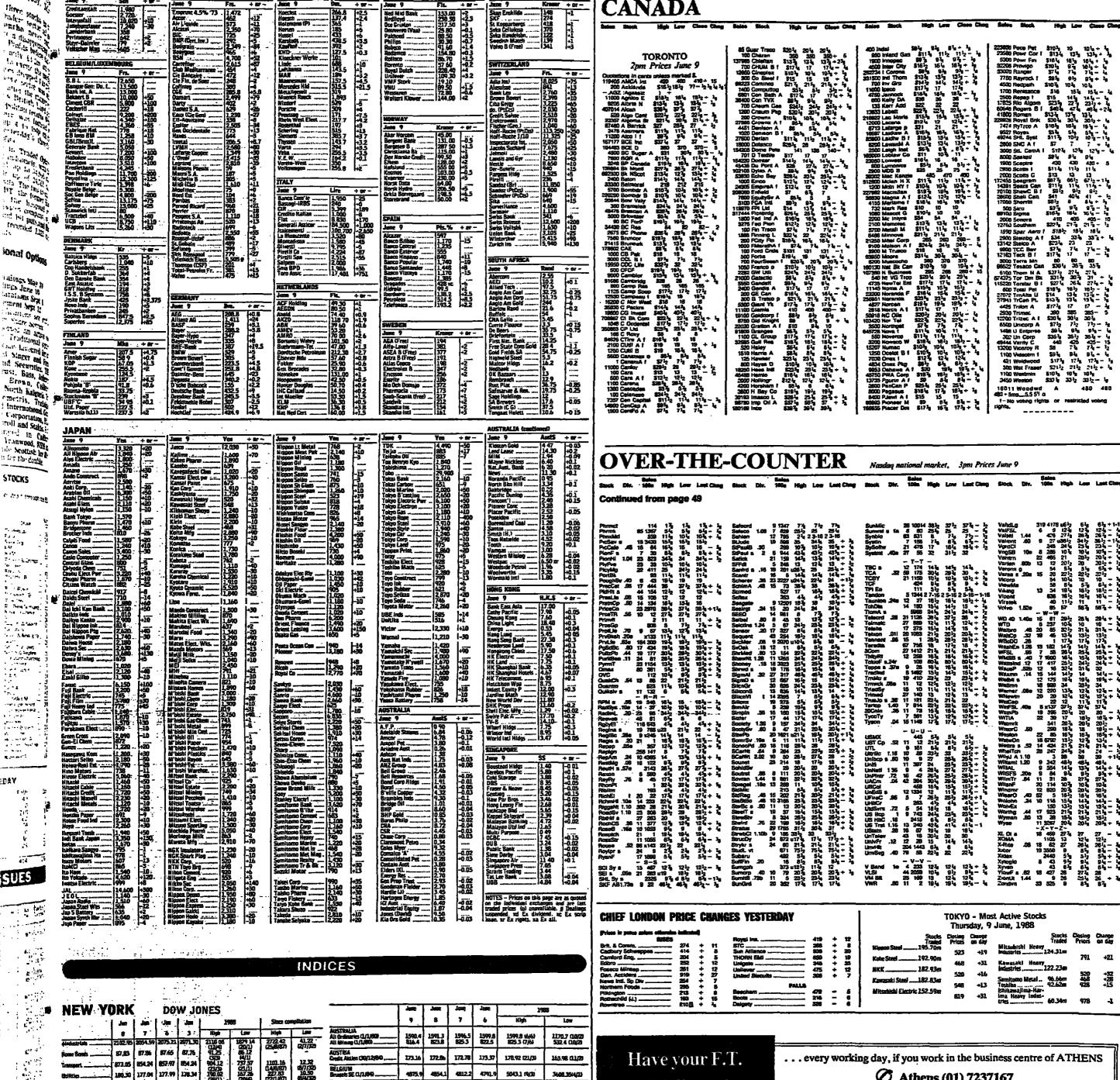
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NIC for details.

FINANCIAL TIMES

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> > **FINANCIAL TIMES**

AMERICA

Dow rally falters as buyers take a breather

Average daily volume May, 11 to June 8, 1987 181,179,000

despite the misleadingly heavy weighting it gives to agricultural prices, has become a closely-watched indicator of inflationary

sentiment and its sharp fall on Wednesday was widely cited as the main cause of the equity mar-

Daily (million)

Wali Street

IT STOPPED raining in Iowa yesterday and Wall Street's expio-sive rally, which had been motivated largely by a sudden drop in corn and soybean prices, ground to a halt, Anatole Kaletsky writes

The Dow Jones Industrial Average bounced aimlessly through the day within a range of ten points above and below

Wednesday's closing level.
The Dow flirted repeatedly
with the 2110.08 post-October high it hit two months ago, but as the closing bell approached, the bulls suddenly threw in the towel and the Dow finished 9.60 down at 2093.35. Just half an hour before the close, the Dow had stood 7.47 points above its overnight level, at 2110.42.

the 723 which declined and heavy trading activity carried over from the previous day with 235m

point rally, but most analysts were satisfied with the market's behaviour, at least until the NYSE Volume sell-off which hit prices suddenly within the last 15 minutes of

A day or two of consolidation was seen as healthy after the Dow's record-breaking advance of 146 points in just seven trading sessions. This was especially true in view of the massive technical obstacle facing the market in the shape of the post-October high of 2110.08. It would have been amazing if the market had soared past this level without taking a

Analysts noted with satisfac-tion that repeated bouts of profit taking and sporadic speculative selling pressures from the futures markets were easily absorbed without much impact on prices.

They were also impressed with Advancing stocks, which numbered 801, had a narrow lead over its gains in the absence of any additional good news from the absence of the chicago combond market or the Chicago com-

modity pits.
The Commodity Research The Commodity Research the morning to 100 aprice at the morning to 100 apr

EUROPE

Foreign investors' shopping spree takes bourses higher up SKr2 to SKr256. The telecom-

TAKING their cue from Wall Street and Tokyo, European bourses bounded upwards yester-day, with increased demand from overseas buyers helping to keep a

rein on profit-taking.
FRANKFURT recorded its strongest gain since mid-January as foreign investors went shop-ping for blue chips, spurred by the overnight gain on Wall Street

and the stronger dollar.

The FAZ index closed up 10.23, or 2.2 per cent, at 470.17, amid ed demand from domestic as well as overseas investors. . Pharmaceuticals issue Schering, which received US aproval to

sell its diagnostic brain tumour drug, rose DM13 to DM515. Carmaker VW found DM2 to DM255.80, with company chairman Mr Carl Hahn forecasting annual group sales and produc-

tion similar to last year's. Daimler added DM23 to DM645.
Comments from Nixdorf chairman Mr Klaus Luft that 1988 profits so far were unsatisfactory

took the computer group's shares energy and chemicals issue Viag added DM8.30 to DM218.80. reporting a 5 per cent rise in first quarter group sales.

Recent gainer Felmühle Nobel saw profit-taking, losing DM2.50 to DM307. Bonds rose in quiet trading,

with the latest 61/2 per cent 1998 unit yielding 6.53 per cent after 6.56 per cent on Wednesday.

PARIS was also buoyed by for-eign buying after good perfor-mances on Wall Street and in Tokyo, and share prices closed sharply higher after a little prof-

The Indicateur de Tendance rose 3.3, or 2.6 per cent, to 130. News of a government spend ing package on housing helped contruction-related stocks, with Dumez FFr26 higher at FFr629 and St-Gobain up FFr17.50 at

Recently-privatised Matra put on FFr5 to FFr187, having reached FFr194.50, on news that MMB intended to double its stake

to 20 per cent. Electronics and telecommunications group Thomson-CSF forecast higher profits this year than last and rose FFr4.50 to FFr201. last and rose FFr4.50 to FFr201. Impala dropping B2 to R29.
Oil group Elf Aquitaine added
FFr8.50 to FFr338.50, reporting
elightly lower first appearant time.

NATIONAL AND REGIONAL MARKETS

Australia (88)

Belgium (63) Canada (125)

haly (102).

Norway (25).

South Africa (60)

Switzerland (55) United Kingdom (327) ..

Euro-Pacific (1686)

North America (1030)...... Europe Ex. UK (686)...... Pacific Ex. Japan (217)... World Ex. US (1885)..... World Ex. UK (2136)....

food sector added zest to a slow market, boosting the FT-SE 100 index by 13.3 to 1.841.5.

bid target Rowntree, the UK confectioner, fuelled gains, in spite of denials from both Swiss companies. The session also saw widespread buying in the composite insurance sector, with strong gains for Sun

day's gains, but ended off the session's highs as profit-taking

Volume was strong, pending the monthly options deadline on Monday and the end of the June trading cycle on Tuesday.

In the banking sector, Banca Commerciale Italiana dropped L50 to L1,950. The company said it had extended its offer for 51 per cent of Irving Bank of the US

which has been put up for sale by the Ferruzzi group, lost L650 to L18,450 after hitting a high of L20,000. Calcestruzzi, the cement maker controlled by Ferruzzi and also rumoured to be for sale,

Chemical suggested as one of the day's buyers.
STOCKHOLM reacted to the

overnight gains on Wall Street with a broad rise in high turn-

Ericsson B free shares picked

A WEAKER bullion price hit Johannesburg gold stocks yester-day as they fell slightly for the

second day running.

The end of the three-day pro-test strike by black workers had

little effect on the market. In gold issues, Vaal Reefs declined R8 to R271 and Declkraal slipped 25 cents to R10.75. Platinum stocks also fell, with

Day's Change %

-0.61 -0.13 -0.13 -0.13 -0.13 -0.13 -0.13 -0.14 -0.04

+1.0 +1.3 +1.2 -0.4 +1.3 +0.1 +1.1 +0.7 +0.7 +0.1

Dollar Index

144.27 87.67 124.52 131.83 138.34 99.61 78.71 106.20 136.97 71.14 174.76 144.12 165.75 107.60 82.11 126.47

134.39 163.27 124.20 81.08 138.96 110.04

210.60

170.85 146.76 110.81 92.99 123.79 145.89

131.38 132.02 111.54

London

SPECULATIVE activity in the

Rumours that Nestlé and Suchard had struck a deal over

The MIB index rose 11 to 997.

Standa, the large chain store

declined L399 to L9,601. Montedison gained L45 to L1,580, with US company Dow

SOUTH AFRICA

slightly lower first quarter turnover.

MILAN extended the previous

De Beers and mining financial
Anglo American each lost 75
cents to R35.75 and R51.75.

THURSDAY JUNE 9 1988

117.85 71.61 101.54 101.72 107.69 113.00 81.37 64.75 111.88 58.11 142.75 117.73 135.39 67.87 103.31 109.38 109.38 109.38 109.38 109.38 109.38 109.38 113.59 109.38 113.59 113.51

119.17

107,31 107,84 91,11

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (its \$ index), 90.791 (Pound Starling) and 94.94 (Local), Copyright, The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co., Ltd.1987

119.37 78.34 110.98 110.14 117.40 118.40 90.71 70.650 124.15 67.96 138.31 142.79 4412.79 4412.79 4412.79 111.39 86.72 140.76 110.27 72.18 113.51 110.04

95.20 136.16 119.87

110.07

119.33

116.38 116.31 104.75

FT - ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co.

Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Gross Div. Yleld

3.74 0.71 1.63 3.52 3.23 3.92 1.71 2.08 2.27 3.63

Dollar Index

124.09 130.93 137.11 97.89 76.96 104.93 136.10 70.38 172.43 144.14 162.45 105.68 81.13 124.11 119.65 125.12 162.92 123.78 80.95 138.18 138.18 130.95

145.04

91.76 123.68 144.23 130.53 131.16 111.41

munications company said it had agreed in principle to buy UK group Thorn EMI's stake in the companies' joint venture, British-based Thorn Ericsson Tele-

BRUSSELS was buoyed by gains on leading equity markets and by the stronger dollar, and the stock index rose 21.8 to 4.875.91 in moderate volume. Blue chip Petrofina traded heavily again, rising BFr125 to BFr12,300 on turnover of 19,300

> Steelmaker Cockerill was also active with 161,000 shares chang-ing hands. The company, which is forecasting profits this year after 13 years in the red, put on BFr18 to BFr222, a rise of 9 per

Engineering group Acec reported reduced four-month losses and climbed BFr4 to BFr616, while Vieille Montagne sed its zinc price and rose BFr100 to BFr7,100.

ZURICH also ended higher on the stronger dollar and gains in Tokyo and New York, with the in strong turnover. Profit-taking cut into some of still too much money here to the gains and banks ended only cause a major slide. Even if the

In foods, Nestlé added SFr10 to SFr8,650, while Suchard, its rival bidder for UK confectioner Rowntree, put on SFr25 to SFr7,625. Both companies denied rumours that Suchard had sold its Rown-

tree stake to Nestlé. AMSTERDAM finished stronger, although off the day's highs as investors took profits in midsession. The ANP-CBS general

day, investors buying on mar-gin have had to put up 70 per cent collateral, as opposed to 60 per cent. If prices continue index rose 5.4 to 254.4.

The steadiness of the dollar against the guilder and the strength of leading world stock markets encouraged buying by overseas institutions. Domestic to surge, the exchange may increase the requirements

markets encouraged buying by overseas institutions. Domestic investors were also active.

MADRID resumed fits upward. climb after pausing on Wednesday for profit-taking, and the all-share index reached a record 1988 high of 296.38.

OSLO saw its investors return and prices type across the board.

and prices rose across the board. The all-share index gained 4.21 to 292.76 in active trade. COPENHAGEN was supported

by gains elsewhere in world stock markets and continued its positive trend, with the Copen-hagen stock index rising 1.99 to

WEDNESDAY JUNE 8 1988

118.34 77.58 101.45 101.19 106.77 111.81 79.83 62.75 110.99 57.71 117.54 132.48 85.18 66.14 101.21 97.58 110.19 132.86 66.02 112.68 90.13

90.71 74,83 100.86 117,62

106,44 106,96 90,86

Currency ladex

119.53 78.26 110.78 109.85 116.30 89.06 68.76 105.23 123.09 61.64 105.37 111.19 87.84 105.37 111.19 87.84 110.52 112.09.76 71.42 112.62

110.49 82.48 108.84 117.94 115.62 115.52 104.56

unmoved by a sharply adverse revision of US trade figures

publishing its first set of season-published next Tuesday.

ally adjusted trade figures since Among individual stocks

December 1985, revealed that which traded heavily yesterday was due to seasonal factors.

It said the deficit for March, \$77%. which was originally reported as a much lower than expected \$9.746bn, would have been instead of the previously reported \$12.994bn.

One reason for the lack of a at \$46. response to apparently bad news in either the bond or stock markets was the probably recent turnaround in attitudes to the trade figures. When the good March figure was reported last month, the markets fell. Anathe bond market, meanwhile, was marginally weaker. The Treasury's long bond fell by h in laysts argued that an unduly rapid rate of export growth would lead to economic overheat-

High-wire

new levels

By Carla Rapoport in Tokyo

THE LONGEST-running high

wire act in the world financial

arena scored a new triumph yesterday as the Nikkei aver-

age bounded over 28,000 to close at an all-time high. At the same time, as is usu-

ally the case in Tokyo, many

brokers and regulatory offi-cials called for caution, with

some saying the current boom

in share prices could not be sustained for more than a few

weeks. Others, with their eyes

fastened on Japan's ever-ex-

panding money supply figures,

continued to predict nothing could stop the Tokyo market.

2.7bn shares changing hands, that it led the TSE to shorten

trading hours by 30 minutes.

The move is aimed at giving

market participants more time

to complete mounting paper-

work, and also at dampening

excessive speculative activity.
As a result of the change,
today's afternoon session in

Tokyo will begin at 1.30pm, rather than 1pm, while still

closing at 3pm.

Even if the change alters chart term,

would be short-lived. "There is

index went down 10 per cent,

Japanese investors would still come back to the TSE," said

Ms Sally Mason of Barciays de Zoete Wedd's Tokyo branch. The Nikkei closed yesterday

at 28,072.02. The continued

rally and heavy trading have come despite the TSE's deci-sion to tighten margin trading

requirements. Since last Fri-

tors have been wary of invest-ing their money in overseas

markets since the crash in world equity prices last year.

yesterday that if Wall Street

continued to gain, it might start to attract Japanese

BOLLAR INDEX

1988 Low

91.16 84.35 99.14 107.06 111.42 106.78 72.77 67.78 84.90 104.60 62.99 133.61 107.83

90.07 95.23 64.42 98.55 97.99 118.16 130.73 96.92 75.60 123.09 99.19

120.36 99.78 80.27 87.51 120.26 111.77 113.26 100.00

115.34 | 132.04 | 113.37 | 135.11

120.23

226.35 118.18

122.55 102.46 128.56 143.33

money again.

1988 High

145.74 98.18 139.89 125.49 131.83 138.34 99.61 80.79 106.20 136.97 144.14 177.27 144.14 110.66 82.12 119.65 139.07 125.50 86.75 141.18 110.52

110.71 172.26 147.53

111.28 92.99 123,79 146.49 131.38 132.02 111.54

Volume was so heavy, with

act tests

The bond market was virtually on trade and inflation will come within the next few days. Pro-ducer price figures for May are which was announced yesterday. due to be released this morning The Commerce Department, and trade figures for April will be

much of the apparent improve were institutional favourites like ment in the US deficit this year IBM, which fell \$11% to \$115% and General Motors, down \$% at

The only important takeoverrelated development involved the long-standing \$42 offer for USG, the building materials company. ment. The seasonally adjusted from Desert Partners, a group of figure for February was \$14.414bn corporate raiders. Desert Partners terminated its offer but USG's shares closed unchanged

Canada

SHARE prices recovered from earlier losses to close higher, buoyed by rising golds and base metals. The composite index, which had dropped about seven points in earlier trading, gained ng. 11.20 to 3378.20. Advances out-However, the real test of the numbered declines by 383 to 365 David Owen explains why June has been a buoyant month so far

Commodities pep up Toronto

BUOYANT world commodity markets have managed to pull the Toronto Stock Exchange up by its bootstraps in recent days. The heavily resource oriented TSE-300 index has sourced by more than 190 points since May 30 to 3,366.5 on Wednesday. This follows five months during which the market drifted aimlessly on generally insipid volume: the index has risen only 206.5 points, or 6.5 per cent, this year.

The upturn has been relatively broad-based. Currently, the star performer is the paper and forest products sub-index, which has climbed 5.7 per cent this week

del is up C\$1% over the same period to C\$19%, while Canfor

Much of the impetus was pro-vided by the Kuwait Investment Office's announcement on Monday that it intends to purchase 10.3 per cent of Montreal-based Consolidated-Bathurst. KIO is offering C\$19 a share and, since May 30, the stock has risen by C\$2% to C\$17%. Of other forest products stocks, MacMillan Bloedel is up C\$1% over the same has risen C\$2% to C\$29.

However, paper/forest products stocks still lie 5.3 per cent below

their value at the start of the year – despite a string of positive earnings figures. The strength of the Canadian dollar – which on Wednesday closed at a five-year high against its US cousin – and its perceived impact on export earnings has done much to prompt this. Also expenses a sumual meeting. In partly responsible are projections of a weaker lumber market and potential labour disruption this

summer in British Columbia. The most consistently impres-Toronto Metals & minerals index



their value at the start of the sive performers so far this year

company's annual meeting. In all, Dome rose 10 cents to C\$1.38.

After the market closed, share-After the market closed, share-holders of the beleaguered Cal-gary company voted to accept the iongstanding C\$5.5hn offer from Amoro Canada. On Monday, an Alberta judge will be asked to approve the deal. Metals and minerals, mean-while, continue to benefit from strong prices for Canadian-pro-

strong prices for Canadian-produced non-ferrous metals, including aluminum, nickel and zinc. The metals/minerals index reached a year's high on Wednesday of 3,046.8.

Toronto's recent surge has taken place without much help from the important precious metals sector, however. The value of gold and silver stocks traded on the exchange has dropped by 1.7 per cent so far this week and by just over 7 per cent this year.

Nikkei breaks down 28,000 barrier

BUYING enthusiasm gathered momentum following Wall Street's strong overnight rally, and the Nikkei average ended above 28,000 for the first time in Tokyo yesterday, urites Shigeo Nishiuaki of Jiji Press.

The Nikkei average rallied 159.37 points to close at 28,072.02 after moving between a high of 28,173.54 and a low of 27,927.50, on a volume of 2.7bn shares, the second biggest on record, compared with the previous day's 1.9bn.

News of a drop in US commodprices and the jump above 2,100 by the Dow Jones Industrial Average encouraged individual tions at the start of trading. Insti-tutions, however, remained hesitant about precariously high prices. The Nikkei had failed to end above 28,000 in the previous three sessions despite passing it temporarily.

It hit 28,173.54 mid-morning yesterday but retreated as fears grew that the Tokyo Stock Exchange might further tighten

margin trading in view of the gered by fears of a possible rise worth HK\$1.8bn, up HK\$600,000 in short-term interest rates. The ATV lost ground, easing 2

priced issues. investors seeking quick profits continued to seek giant-capital steels, shipbuildings and chemicals yesterday. Speculation that Nomura Securities would buy large-capitals to mark the 50th anniversary of its founding today

also stimulated buying interest.
Giant-capital stocks dominated the active list, accounting for 52 per cent of total turnover. Most active was Nippon Steel with 196m shares traded, closing up Y19 at Y523 after moving

between Y530 and Y509. Low-priced issues with special incentives were mixed: Sumitomo Heavy Industries rose Y15 to Y740 and Keisei Electric Rallway Y40 to Y1,290, while Tokyo Rope tumbled a maximum Y400 to Y2,110 on rumours that a large block of its shares had been transferred from one group of speculators to another.

Buying interest later spread to high-technology issues, heavy electricals and domestic demand-

lative buying.

DOMESTIC fund managers returned to the market after the strong overnight gain on Wall Street, helping to push share prices higher in the heaviest volume this year.

Osaka Securities Exchange

prices gained 87.97 to close at 27,876.11 on a turnover of 234m shares, up about 35m from the previous day. Sanoyas climbed

Y55 to Y605 on rumours of specu-

Hong Kong

nked stocks.

The Hang Seng index added and the Seoul composite index Bonds eased on selling, trig- 31.85 to 2,640.83 on turnover climbing 5.84 to 737.83.

ATV lost ground, easing 25 cents to HK\$2.08 amid rumours market opened stronger. reflecting overnight gains in US - denied by ATV chairman Mr-bond prices, but later lost Deacon Chiu - that two direcstrength due to higher rates on tors of Lai Sun Garment were restrictes of deposit.

The yield on the beliwether 5.0
per cent government bond, due in
December 1997, rose from
Wednesday's 4.545 per cent close
to 4.580 per cent in block trading
to the Talkin stock exchange It

on the Tokyo stock exchange. It later moved up another 0.01 per cent in inter-dealer trading. PROFIT-TAKING reduced the day's gains but equities closed higher, with investor confidence buoyed by the sharp gain in New York. The Straits Times Industrial index rose 2.09 to 1,042.6.

Australia

CONCERN over declining international bullion prices and an absence of foreign buyers helped push the All Ordinaries index down 0.9 to 1.590.4 after an early rally inspired by Wall Street.

TaiPEI and Scoul rose to new highs, with the Taiwan weighted index adding 118.6 to 5,076.18

The Post Office

SALE OF

Girobank plc

The Chancellor of the Duchy of Lancaster announced in Parliament on 7th June, 1988 that the Post Office's banking subsidiary Girobank plc ("Girobank") is to be

Girobank has grown rapidly from its origins as a cash transmission service and is now a successful financial institution offering a range of services to both personal and corporate customers. In the year to 1st April 1987, Girobank made a historical cost operating profit of £23.1 million. The results for 1987/88 will be available shortly. The Bank expects to have met its financial targets.

Girobank has over 2 million personal accounts. These are serviced mainly by post

or telephone and through the Post Office Counters network which gives access to some 20,000 outlets throughout the U.K. The Bank handles over £35 billion p.a. of cash deposits from the retail sector and in addition offers a wide range of other services to the corporate sector. Girobank is a member of the Association for Payment Clearing Services. It is also

a member of the LINK organisation, offering automated banking facilities, and produces its own VISA credit card. The Post Office will be responsible for conducting the sale of Girobank. In the assessment of bids, the price offered by the prospective purchaser will, of course, be a

major determinant. But in addition the following criteria will be taken into account: The prospective purchaser's plans for the future development of Girobank and in particular their likely impact on the Post Office's continuing operations, especially those of Post Office Counters Ltd.

The arrangements proposed by any prospective purchaser to enable management and staff to share directly in the success of the business. The promise any purchaser brings of widening customer choice in the market place in which Girobank operates.

The necessity for any prospective purchaser to be approved in due course by the Bank of England. The Chancellor of the Duchy of Lancaster and the Post Office Board will be concerned to ensure that in any trade sale, proper regard is paid to the interests of

The Secretary of State for Trade and Industry is required to approve the final terms of sale. The sale of Girobank is being conducted by Schroders on behalf of the Post Office. Prospective purchasers are being asked to register their interest by Friday 24th

Mr. Gerry Grimstone J. Henry Schroder Wagg & Co. Limited 120 Cheapside London EC2V 6DS

Prospective purchasers will be sent an explanatory memorandum describing the selling process in due course. The intention is to complete the sale of Girobank by the

Inne with:

